

China Insights

Guangbin Yang

The Historical Dynamics of Chinese Politics

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Guangbin Yang

The Historical Dynamics of Chinese Politics



Guangbin Yang
School of International Studies
Renmin University of China
Beijing, China

Translated by
Chunhou Zhang
Shaanxi Institute of International
Trade & Commerce
Xianyang, China

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Chunhou Zhang dedicates this translation to the memory of his father, Zhang Shijie, his brother, Zhang Dehou, his advisor at Central Michigan University, Professor Barbara Greene, and his advisor at the University of Cincinnati, Professor Michael Margolis.

Series Foreword

Since the Opium War, modern China has come under attack and been bullied for its backwardness; this cultural circumstance has given many Chinese people a psychological inferiority complex, as China has lagged behind other countries technologically, institutionally and culturally. Efforts to change the situation in which Western countries were strong but China was weak and to revitalize China needed to start with cultural criticism and culture renovation. Therefore, the Chinese people turned their eyes to the outside world and learned from Japan, Europe, the USA, and even Soviet Russia. We have always been overwhelmed by stress and anxiety and have had a burning desire to reverse the state of being bullied as a result of underdevelopment, poverty and weakness and to catch up with and surpass the Western powers. In pursuing the more than one-hundred-year-old dream of building a powerful country and reviving China, we have focused on understanding and learning from others, but seldom, if ever, have others learned from and understood us. This has not greatly changed in the course of modernization since China's reform and opening up in 1978. The translation and introduction of many Western works in the 1980s and 1990s is a very good example. This is the history of the Chinese people's understanding of the relationship between China and the rest of the world since the beginning of modern times.

At the same time, in pursuing the dream of turning China into a powerful country and rejuvenating it through material (technological) criticism, institutional criticism and cultural criticism, the Chinese people have struggled to find a path that would make the country prosperous and the people strong while preventing the country from being ruined and the race from being destroyed. This path first represents a thought, a banner and a soul. The key issue has been what kind of thought, banner and soul can save the country, making it prosperous and the people strong. For more than one hundred years, the Chinese people have constantly carried out experiments and attempts amidst humiliation, failure and anxiety. They have experienced failure in adopting advanced Western technology and thought on the basis of safeguarding China's feudal system and practicing a constitutional monarchy after the collapse of the Western capitalist political path and a great setback in worldwide socialism in the early 1990s. The Chinese people ultimately embarked on a path towards a successful

revolution with national independence and liberation; in particular, they have adopted a path leading to the socialist modernization of China—a road towards socialism with Chinese characteristics—by combining the theoretical logic of scientific socialism with the historical logic of China’s social development. After more than 30 years of reform and opening up, China’s socialist market economy has rapidly developed; tremendous achievements have been made in economic, political, cultural and social constructions; comprehensive national strength, cultural soft power and international influence have substantially improved; and a great success has been achieved in socialism with Chinese characteristics. Although the latter project has not yet become full-fledged, its systems and institutions have basically taken shape. After more than one hundred years of pursuing dreams, China is rising among the nations of the world with a greater degree of confidence in the path it has chosen, the theory it has adopted and the institutions it has created.

Meanwhile, we should be aware that given the long-standing cognition and cultural psychology of learning from Western countries, we seldom take the initiative in showcasing ourselves—historical China and current China in reality—to the world, though China has emerged as a great world power. Due to a deeply rooted view that “Western countries are strong and China is weak”, developed through Western-Chinese cultural exchanges, Western people and nations seldom have a sense of Chinese history or the current developments in China, let alone an understanding of China’s developmental path and such in-depth issues as the scientificity and effectiveness of China’s theory and institutions or their unique value for and contributions to human civilization. As self-recognition is not displayed, the “China Collapse Theory”, “China Threat Theory”, “China State Capitalism” and other so-called theories coined by certain people with ulterior motives and differing political views have been widely spread.

During our development, based on “crossing the river by feeling the stones”, we have paid attention to learning from Western countries, understanding the world and learning to know ourselves through Western experience and discourse but have neglected self-recognition and efforts to let others know us. When we strive to become part of the world in a more tolerant and friendly way, we are not objectively, truly understood. Therefore, we should describe the path to the success of socialism with Chinese characteristics, tell Chinese stories, disseminate Chinese experiences, use international expressions to show a real China to the world, and help people around the world realize that the Western manner of modernization is not the endpoint of human historical evolution and that socialism with Chinese characteristics is also a valuable treasure of human thought. This is undoubtedly a very important task for an academic cultural researcher with a sense of justice and responsibility.

In this connection, the Chinese Academy of Social Sciences organized its top-notch experts and scholars and several external experts to write the *China Insights* series. This series not only provides an overview of China’s path, theories and institutions but also objectively describes China’s current development in the areas of political institutions, human rights, the rule of law, the economic system, finance, social governance, social security, population policies, values, religious faith, ethnic policies, rural issues, urbanization, industrialization, ecology, ancient civilization,

literature, art, etc., thus depicting China in a way that helps readers visualize these topics.

We hope that this series will help domestic readers more correctly understand the course of the more than 100 years of China's modernization and more rationally look at current difficulties, enhance the urgency for and national confidence in comprehensively intensifying reform, build a consensus on reform and development and gather strength in this regard, as well as deepen foreign readers' understanding of China, thus fostering a better international environment for China's development.

January 2014

Zhao Jianying

Preface: On the Way of Political Development and the Political System in China

There are a lot of unthinkable things in the world. For example, how can people use one concept in a way of one-size-fits-all to measure political systems with different history, culture and civilization genes? Is the world going back to the monotheistic politics of Medieval Europe? In any kind of political system, there are different views from different perspectives, but the prevailing Chinese political view is a set of idea systems formed during the Cold War, that is, to contrast China with a specific “world of ideas”; as a result, Chinese politics is seen as having a legitimacy problem. According to the popular liberal democratic theory, since China is not a “party-competing democracy”, China’s democracy is not a democracy. By studying the theory of legitimacy from the perspective of grand world history and world politics, we find that Chinese politics embodies the legitimacy constituted by legality, popular nature, validity and justice, (Yang, Guangbin, 2016d) and is a political system that best represents people’s democracy. A thorough investigation of China’s political system and decision-making process reveals that Chinese politics possesses a strong democratic nature and many democratic attributes, so it is necessary to explore the logic of Chinese politics.

To understand the political development of China, we need two historical dimensions: The evolution of modern Chinese history and the view of comparative history, from which, we can see the naturalness and legitimacy of Chinese institutional choice. As far as Chinese history is concerned, when the ancient “civilized state” was overwhelmed by the “nation-states” of the West and did not know what to do, how China could be reorganized as a modern state, instead of being dismembered and exterminated like other ancient civilizations, such as the Ottoman Empire, and all sorts of political systems had been tried, from Sun Yat-sen to Yuan Shikai, to the Beiyang government, and to the Nanking national government of the Republic of China, but all of these did not work. The Chinese communist revolution is not only a process of seizing power, but also a long process of reorganizing the country. One of the greatest organizational methods is to organize the people at the bottom through the Mass Line, which is undoubtedly a political development path different from that of other countries. In this sense, the role of the Communist Party of China (CPC) as the organizer of the state is worth for the domestic and foreign academic circles to

make great efforts to study. The newly established state is not the same as the early developed capital-based state, and it is also different from other developing countries that carry out national liberation without social revolution, and even different from other socialist countries that rely on elite political parties to seize power. The biggest difference is that the CPC is not only a political party organized by Marxism-Leninism, but also a political organization imbued with the idea of people first; and it institutionalizes the traditional idea of people first, that is, the Mass Line that we have become accustomed to. Neither the class party theory nor the national party theory can explain the CPC, let alone the American-style electoral party theory. This “difference” is where the vitality of the China way and political system lies. A study of the grand history of the Communist Party of China in organizing the country will help us to discover new theories of the state.

In terms of comparative political development in the perspective of global history, after several waves of “democratization”, most of the developing countries in the world have become like the United States or Britain, for example, the Philippines has established a political system based on the US presidential system, and India has established a political system based on the British cabinet system. The Taiwan region of China has also been involved in the “third wave”, whereas the “Arab Spring” is known as the “fourth wave of democratization”. What have been the results? Notwithstanding the above, liberal democracy as a universal value has overwhelmed the West itself, leading to the passage of the European Union membership referendum of the United Kingdom and Donald Trump being elected president of the United States, which are so-called “Black Swan” events. Today, not only do people in many non-Western countries seem a little uneasy about Western-style democracy, even the Donald Trump administration had renounced the so-called “value diplomacy”, but also they would do no more so-called “color revolutions” and military coups in other countries. In the process of reform and opening-up, China is inevitably impacted by the political ideological trend of the world, but the party’s self-determination has survived one crisis after another. It is scary to think, if China became a member of the club of universal values, what would it look like today? The fate of the anti-fact law (the so-called anti-fact law is a hypothetical thinking contrary to the fact), that is, the ineffective governance of other developing countries, especially the giant developing countries, has validated the China way. In other words, if China has no political will and follows the path of Western-style democracy of other developing countries, China’s fate will never be better than that of other countries.

Therefore, the epistemology of Chinese politics, first of all, is to understand China’s political development, that is, the political path, from the perspective of the grand history of China and that of the grand history of the world. The prevailing practice of measuring political systems of nations in accordance with a single idea must be abandoned.

Second is the democratic cognition of Chinese political system. The democratic nature of China’s political system goes without saying, but a better understanding of this requires a system of democratic discourse. What is the most taboo for the expression of democratic theory is the stage and policy summary, in which it becomes longer and longer in a way like adding train cars, and with the passage of time,

the significance is diminishing. A theoretical summary of political practice should stand the test of time and must be a general and conceptual expression based on the social science research. China's democracy is embodied in the path of political development, the political system and the political process, and is also embodied in the people's democracy as the state system, the consensus democracy of the political democratic centralism and the political way, which is a kind of "governable democracy". This is the democratic discourse system of Chinese politics that I have constructed. Of course, to construct the democratic discourse system of Chinese politics, we first need to clarify the basic problems of the popular liberal democracy. One of my research focuses in the past decade or so has been on the theory and practice of the liberal democracy (see also my book, *观念的民主与实践的民主* [Conceptual Democracy and Practical Democracy], China Social Sciences Press, 2015), and by dissecting and rebuilding, this book is an attempt to construct Chinese democratic discourse system.

Let's understand Chinese politics from the perspective of comparative politics, and we have no reason to give up on ourselves. Firmer political confidence first requires theoretical self-confidence based on theoretical self-consistency, which comes from a set of independent social science discourse systems. Therefore, many basic categories and basic concepts in social science need to be re-recognized in the broad view of tradition, reality and the world. Only by understanding the evolution of the grand history of China and the grand history of the world can we take a more prudent view on China's political development path; China's political institution, made up of the state system of people's democracy, the political system of democratic centralism and the political way of consensus democracy, is a model of "governable democracy". Compared with the ineffective governance and even the failure of the countries caused by the partisan democracy, "governable democracy" is naturally a desirable democratic model.

Some parts of this book have been published as papers, on the basis of which I have written several new parts, which constitute my long-term pursuit of a comprehensive and systematic study of Chinese politics. This book is an integrated work of my 10-year study of Chinese politics. The past research on contemporary Chinese politics has been scattered among different fields of topics, while my research runs through the main line of Chinese political institution and political process, either explicitly or implicitly. The study of system-process is undoubtedly a kind of macroscopic study with mesoscopic color, and the macroscopic study must be an epistemology of how to view the nature of Chinese politics.

The epistemology of macro-politics observation and the micro-politics in life may be inconsistent, but how to treat this "inconsistency"? Social science research is different from novel creation. Novel works are personal observation of life and even personal experience of the writers, but theoretical workers of social science must transcend the level of individual experience, and it is necessary not only to abstract the theory of countless micro life and meso cases, but also to compare the historical abstractions. It is difficult to construct social science research without two kinds of abstractions, that is, the abstract angle and the abstract ability.

This study is undoubtedly based on a defense rather than a critique based on an ideal system—the latter being regarded as the so-called “academic standard” by the Western academic circles. In fact, there is no such thing as unguarded theory of democracy. Is the liberal democracy constructed by Schumpeter, Dahl, Almond, Sartori and others of several generations not a defensive or guarded theory selectively constructed in accordance with the American political system? The structural realism of international relations theory is even a set of rhetoric and polemic defending the established international order against historical facts. There are already too many critical works on Chinese politics, especially the Chinese political studies from the Western academic circles who use their own ideological system to contrast China. As a result, the century-old predictions about China’s political future have been wrong again and again, and the “China collapse theory” has collapsed. One important reason is that Western scholars use their own ideas to study Chinese politics, which is totally different in terms of history and culture, so that they cannot understand the internal logic of Chinese politics. The general reason is that the “politics” we all seem to be familiar with is simply too complex. For example, politics is directly constrained by economic institution and social institution, and there are historical, cultural and civilization genes behind economics and institution, and politics itself possesses an autonomous role. Thus, there are at least three different dimensions in understanding “politics”: the autonomy of politics (including institutions and people), the direct influence of economy and institution, and the structural constraints of civilization genes. Although political science is the oldest social science, understanding of “politics” is still very simple. Its complexity remains to be explored and requires the theoretical understanding of complexity.

Any defensive research maintains an unavoidable distance from the standard of social science in a strict sense, focusing on such Machiavellian concerns as “how to see” and “what to do”. In fact, the “study” that cannot enter the field of “politics” can only be discussed by sitting back and pontificating, which is determined by the prescriptions of the discipline of “politics” (governance). This book is written primarily for those who have a realistic interest in Chinese politics.

This defensive study is based on the study of Chinese history and comparative history and comes up with an ideological belief: if China’s political development deviates from the political direction of people’s democracy or people-centered direction, it will not be a problem for the people’s democratic ideas, nor the defensive theory itself, but for politics itself, it will be in big trouble. As this study demonstrates, counterfactual law has repeatedly told us the dire situation and consequences of liberal democracy in non-Western countries. As we know, of course, perceptions can be influenced or even determined by self-interests, and my assertion is certainly debatable. Let history tell the future.

Beijing, China
December 2017

Guangbin Yang

Translator's Acknowledgments

It happens to be my mission to translate this book by Professor Guangbin Yang, a well-known political scientist in China. As I remember, I met Professor Yang at a conference in Tianjin Normal University in 2011, and we got to know each other. Professor Yang is among the few Chinese political scientists who have achieved great scholarly accomplishments. This book represents his academic achievements to a great extent. As a translator, I am a neutral reviewer, and do not take this book as a perfect masterpiece. Some of his viewpoints can be debatable. Nevertheless, he has done quite a unique and comprehensive interpretation of the China way and governing model of China in the perspectives of Chinese cultural and political background as well as international political background. In terms of world politics, he has eloquently demonstrated that the value of democracy is universal, but specific modes of democracy are not universal, and liberal democracy is a concrete model of democracy associated with unique Western cultural background, so publicizing it as a universal value is political propaganda. Many of his viewpoints in this book are breakthrough ideas. These include the antithesis between the world of ideas and the real world, the position of China in world politics, the state autonomy in Chinese politics, the people-oriented political tradition in Chinese politics, the people-oriented democracy, the governable democracy, the cultural elements in democratic politics, the conflict of Western liberal democracy with non-Western cultures, the diverse modes of democracy with their value and practical models associated with different cultural backgrounds and so on and so forth. In sum, this book can be taken as the first book that views politics of China in the context of historical domestic background and world politics, and provides realistic view on Chinese politics and Western politics. Actually, taking a Realpolitik view on the democratic transition in developing countries is also one of the traditions of American political science. My late advisor Professor Michel Margolis at the University of Cincinnati once published a book titled *Viable Democracy*. This book is one of the books on the similar topic from the perspective of a developing country in transition.

This project is part of my job as a faculty member at Shaanxi Institute of International Trade & Commerce, which is located in the Xi'an-Xianyang New District connecting the two ancient Chinese capitals, Xi'an and Xianyang. For accomplishing

this translation project, I thank Professor Guangbin Yang for his cooperation in revising and compressing the book and the China Social Sciences Press for facilitating and coordinating this translation project, as well as publishing this work. I feel obliged to Professor Guo Yingjie of Shaanxi Normal University, lecturer Guo Mochi at Zhejiang International Studies University, foreign language expert Mr. Petter Breimo at Shaanxi Institute of International Trade & Commerce and the Wells-Hein company in Beijing for their work in proofreading. I am indebted to them for their help in this project. Last but not least, my special thanks go to Chinese Fund for the Humanities and Social Sciences for the financial support that makes accomplishing this job possible.

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Part I

Chinese Politics in Multi-perspectives: A Grand Dimension of World History and a Broad International Spatial Vision

There is a well-known paradox in the knowledge of Chinese politics, i.e., empirically speaking, China's success is obvious to everyone, which no one can deny, and no one can be surprised of; while conceptually speaking, by applying the concepts like "legitimacy" to Chinese political analysis, many people reflexively think that the China way, especially the political institution, does not conform to the "universal value", and therefore display a lack of spirit and confidence, which seems that it is only when China becomes a part of "the end of history", then the politics possesses legitimacy. Nothing is more dangerous than this. If we do not have correspondent concepts, theories and ideas to explain our "hard achievements", especially the corresponding philosophical epistemology and methodology to construct them, we will still "look at" China with theories and even ideologies based on foreign lands, and as a result, we will inevitably lose our psychological advantages. In the competitive world politics, countries without a psychological advantage would lose without a fight, and the story of the Soviet Union has not been forgotten. Besides the Soviet Union, what happens when many developing countries become members of the "universal value club" one by one? Is it a victory for the people of these countries, or a victory for the masters of "universal values"? The answer is clear and simple.

Therefore, a breakthrough in epistemology is needed, i.e., there must be a new way for looking at Chinese politics. Abandon the dual opposing way of thinking, and retrieve the approximate polity view, and with a grand dimension of world history and a broad international spatial vision ("One vertical, one horizontal" framework) and a counter-factual method based on comparative analysis, the perception of China will be closer to the truth.

Before discussing the grand framework of the nature of epistemology, let us take a brief look at China's political issues from a micro perspective. In many people's perspective, it conduces to enhancing confidence in Chinese politics to do comparative political research based on good vision and good structure, however, when coming down to earth, quite a few political observers can always find something unsatisfactory in the politics of life, therefore they are bound to view China by the standards of the "world of ideas", such as individual rights. This is normal since many are prisoners of their own experience. Here is an issue of the relationship between

“small freedom” and “big freedom”. In terms of “natural law”, individuals are born with inalienable rights, such as freedom of speech, freedom of association. This is the classic hypothesis for individual rights of liberalism. How does the doctrine of contract, tailored to Western history, play out in world politics? As everybody knows, individual rights cannot be realized via personal power, but must be realized via an organized way, such as forming associations, forming parties. Therefore, the so called “natural right” is actually “human right for all”, and it does not make sense to talk about right without interpersonal relations. One of the typical characteristics of modern politics is being highly organized, however, even pluralists like Robert Dahl believe that the power of organizations is uneven, and even in Western countries, interaction of diversified organizations can also lead to the perpetuation of the structure of social inequality, distort civic consciousness and public policy as well as oligarchy control (Dahl, 1989, pp. 41–56). The discovery of comparative politics is that even in the developing countries, behind political parties and NGOs are irreconcilable interests, such as nationalities, races, religious sects and classes divided between rich and poor. In this way, the natural rights of individuals can become political conflicts. This is the tension between the “world of ideas” and the “real world”, in which all are democracies, some of them are liberal democracies based on individual rights, while others are Islamic democracies, nationalist democracies and even populist democracies. As a matter of fact, the contractual theory based on a specific history and specific countries has triggered off waves of international political conflicts and internal conflicts. It can be hypothesized that, if we follow the idea of contract to develop Chinese politics, couldn’t China become the kind of anarchy that the theorists like Thomas Hobbes strives to avoid? Modern China is full of jungle laws, while the counter-factual approach to comparative political research offers a more convincing answer. Thus, if putting the hypothesis of individual right in the background of grand world history and broad international space, and putting the full ideas into the bony reality, the perception of China, based on a micro personal experience, may be different.

Chapter 1

Chinese Politics in the “World of Ideas”



The world that we live in is not so much material as conceptual, i.e., the world is shaped by ideas. For example, the good and bad of the political system and the welfare of the people have been spelled out. Since modern times, ideas mainly come from the study and discovery of social sciences, while social science research is a theoretical abstraction of the experience of a particular country in a particular historical period. The nature of the social sciences determines the prevailing ideas in the world today, all of which are the experience of the early modern countries, actually some of the early modern countries, especially that of the United Kingdom and the United States. Even the Anglo-American experience is one-sided and fragmented. As everybody knows, the premise of British modernization was a modern state system with centralized authority, while the way in which the United States was founded was the judicial supremacy of state power, and it is under these premises, there exists the so-called liberalism or liberal constitutionalism characterized by individual rights, separation of powers and checks and balance. Nevertheless, both the classical liberalism and the neoliberalism submerge state power, preaching governance without a state, without a government, and it seems that this path is the road to prosperity for the less developed countries. It has been proven by practice, that this is the myth of Liszt's kicking the ladder, i.e., when climbing up the ladder yourself, you kick off the ladder in order to prevent the latecomers to the top. Except for the official thoughts, the ones that spread the most in the Chinese academic market are classical liberalism and neoliberalism. At the beginning of the opening up in the early 1980s, because of reflection on the Cultural Revolution, and the misfortunes and hateful memories of so many people, classical liberalism concerning the idea of individual rights was the most popular of the time; Lock, Montesquieu, Hume, Smith, Encyclopédistes, Mill were all “guests of honor”, and people were hungry for nourishment from their works and compared China with their ideas. For China and the individuals who experienced the havoc of the Cultural Revolution, it is true that the call and advocacy for the protection of civil rights hit the ills of the time.

I have to say, in the 1980s, reflecting on the Cultural Revolution, Chinese politics seemed to take on a different kind of radicalism. The level of social science research was very low at that time, and the Chinese political theory was actually based on the classical liberalism, in a way of gulping down foreign food without digesting. As a result, a lot of specious discourses and slogans were presented, and some of them are still popular to this day, such as, the “meta-narrative” of democracy, “being good” is because of democracy, “being bad” is because of lack of democracy. Following this line of thought, waves of reforms separating the Party from the government were carried out within the system of “the party-state”, while the people were far more radical and street politics became a normal state. In the end, a political tragedy emerged in China, followed by the upheaval in Eastern Europe and the collapse of the Soviet Union, and the United States won a war without guns, defeating the communist states with ideas.

With the pride of the Cold War victory, the neoliberalism emerged in the 1980s and swept the world in the 1990s. To put simply, the neoliberalism is “three-zation movement” of “de-nationalization”, i.e., political democratization, economic privatization, and socialization of governance. The political democratization is certainly liberal democracy, and its realization mechanism is competitive election, i.e., party-competing democracy; economic privatization means that only private property is valid, state property is invalid and should not exist at all; the socialization of governance means that the subjects of governance can only be individuals and social organizations, and states and governments cannot be trusted. Therefore, the “three-zation movement” is, after all, a reprint of the classical liberalism, which is a political program to emasculate the state.

In face of the rising “three zations”, the Chinese marketplace of ideas seemed to have only to greet it respectfully, with no power to resist, which certainly had to do with China’s international standing at the time, but China’s own ideological poverty was even more to blame. Confronting political democratization, theories concerning various democratic transitions became prominent schools at that time, and competitive election also became the sole criterion for judging whether China had reformed politically, for which the prevailing narrative was that political reform is lagging, or the political reform lagged behind economic reform, which lead to the conclusion that there was a “legitimacy issue” concerning Chinese politics. In the face of economic privatization, the prevailing theory is the theory of effective property rights in the institutional economics, and so China’s state-owned enterprises should disappear. Those market fundamentalists did not reflect, now that the nature of business is of profit maximization, why the US congress disallow the Chinese company Huawei to enter US market? This actually implies the national security function of corporations; furthermore, do not enterprises assume the social function in terms of social responsibility? Encountering socialization of governance, i.e., the so-called “investing in people” put forward by the World Bank, the state and the government should withdraw from many fields, and practice “rule by the people” in all affairs, and great efforts should be made to build a civil society as a result. The question is, what about de-governmentalized governance in developing countries,

where governments are already weak in strong societies? It's like drinking poison to quench thirst, and what turned out is visible to all.

The “world of ideas” was full of new and old liberalisms, which could be seen and touched, but the liberalism had also been transformed into various research paradigms, which made people feel that academic research was of scientism and had no value orientation. For example, in the 1950s and 1970s, political science in the United States was dominated by structural functionalism, i.e., the political modernization of the developing countries should be constructed according to the basic function of American politics; the prevailing paradigm since the 1980s has been the science of transformation, in which whatever political system will be ultimately transformed into the American system of government. Obviously, both are a one-dimensional ideology based on the American political system to promote the Americanization of the developing countries. This was already common knowledge in the international social science community, even the Americans are not shy about it, but many people in China actually regarded it as scientism, and thought studying China according to these paradigms was to study politics. So it is clear that ideological power as a form of state power (according to Mike Mann's principles of state power) has been constructed so successfully and put to use so ingeniously in the West that political thoughts have been turned into academic paradigms. It should be said that the Chinese academic circle still needs to make up the basic knowledge course of the theory of knowledge.

To observe China according to the “world of ideas” and to contrast China according to the popular “theory of transformation” will inevitably result in knowledge being contrary to common sense. It should be realized that the Chinese politics in “the world of ideas” is in fact the Chinese politics in the “Western-centered theory”. Does it conform to the common sense that China is not a normal country by the standards of the Western model? The plight of the developing world is in large part the result of the ideology of intellectuals, a group of elites who go to the West to study and think they have found a panacea for running the country, regardless of local history and culture. After Sino-Japanese War of 1894–1895, Chinese scholars rushed to study in Japan and the West, looking for a way to save China, alienating themselves from the literati class in China. As John King Fairbank said, “The young Kuomintang revolutionaries of the generation after 1895 were typically urbanite unfamiliar with the countryside. In their efforts to save China through Westernization, these young revolutionaries mastered many aspects of Western learning and Western technology, but often found themselves out of touch with ordinary Chinese people” (费正清, 费维恺, 1994: 26). We need to jump out of the “world of ideas” to observe common political sense of the world.

Chapter 2

A Dual Concept of Polity or a View of Approximate Polity



In terms of the view of political system, since modern times, especially since the Cold War, there have been two distinct ways of thinking: One is the concept of black-and-white political system, i.e., the so-called opposition between democracy and non-democracy, which emphasizes opposition and conflict. The other is the approximate value system of government, which holds that there are not any countries that meet the ideal standards of democracy, but are far from or near to the ideal standard of democracy, emphasizing the transformation and blend. The concept of approximate value of political system is not only the epistemology since ancient Greece, but also closer to the truth of regime.

2.1 The Thinking Mode of Dual Oppositions and the Dichotomous View of Political System

Since ancient times, there have been great differences in the way of thinking between China and the West. Lao Tzu said, “opposition is the movement of Tao”, referring to the law of things transforming into each other, and up to now, Chinese people know that everything should be viewed by “dividing one into two”. But the ancient Greek philosophy gave birth to a worldview of black versus white, and this opposing worldview is reinforced by European history. After the Roman Empire, Europe entered the “Dark Ages” of the Middle Ages. In the late Middle Ages, the “absolute state” emerged, and there was a power struggle between the pope and the king. On behalf of secular politics, the king finally won the upper hand, ending ecclesiastical politics. Immediately thereafter, European politics at once began a struggle between the monarchy (government) and the merchant groups (society), which lasted for centuries. This history determines the way of thinking in the West, that is, the binary oppositions of the world and the law of binary opposition of things. History has not

ended. After World War II, the Cold War brought the world into a state of confrontation, i.e., the so-called Western camp and the Eastern camp, which strengthened the dualistic world outlook and way of thinking.

Along with the evolution of Western history, the modern social science that explains this historical experience was born, i.e., Max Weber's sociology which was alleged to have had the greatest impact on Western social sciences. Weber's sociological methodology is full of dualistic categories and concepts, such as East and West, tradition and modernity, instrumental rationality and value rationality, and so on. The Americanization of Weber's sociological theory can no doubt be attributed to Charles Algernon Parsons. In *The Structure of Social Action* of 1937 and in the "general theory" of behaviorism of the 1950s, they believed that society could be understood through a series of binary variables of antithetical pattern, including innate endowment and achievement performance, emotion and non-emotion, group orientation and self-orientation, particularism and universalism, dispersion and specialization (Parsons, 2008). It is also a sociological effort to understand the general theory of society, laying a dualistic world outlook and methodological foundation for the Western social sciences during the Cold War.

The implantation of a dualistic worldview into political science was accomplished by generations of scholars. Along with the Americanization of Weber's sociology, many of the classical theories originated in Continental Europe have been Americanized, of which the important characteristics are the proceduralism and quantifiability, among which the most influential is the concept of democracy. Because of the Cold War, the concept of democracy was completely reinvented, transforming democracy into a procedural or instrumental concept modeled on the American political system.

This should be attributed to Joseph Schumpeter. In *Capitalism, Socialism, and Democracy*, Joseph Schumpeter said that people's sovereignty did not exist in history. Not only that, there was no so-called "collective welfare". Since there is no popular sovereignty based on the "collective welfare", what is democracy? Here comes Joseph Schumpeter with a simple inversion: in the past people regarded people's sovereignty as the first, but Joseph Schumpeter put it in the second place, and the first was the process by which voters elect their politicians. From then on, "electoral democracy" or "Schumpeterian democracy" became popular (Schumpeter, 1999). From the 1950s to the 1980s, several generations of democracy theorists, including Robert Dahl and Sartori, among others, all demonstrated "electoral democracy", and regarded competitive election as the only criterion for judging democracy, being democratic or non-democratic (Zeng Yi, 2015). This is the duality of political system, democracy and non-democracy. Democracy is liberal democracy, and non-democracy is a "family concept", including Fascism, totalitarianism, communism, authoritarianism and so on.

In the study of Chinese politics, this kind of thinking mode of binary oppositions can be seen everywhere, which can be said to be in flood. From the time of Mao Zedong to the present China, major structural changes have taken place in Chinese politics on the premise that the basic system remains unchanged, as seen in the examples such as what will be covered in this study, the central-local relations, political-market relations, state-social relations and so on, in which the changes are

obvious. But Westerners, including many ethnic Chinese scholars, would not study Chinese politics without authoritarianism. The conclusion drawn from the analysis of Chinese politics with “flexible authoritarianism”, “decentralized authoritarianism”, “localized authoritarianism” and dozens of other variants of “authoritarianism” is far from Chinese political practice itself.

The line between democracy and non-democracy has been shaken. Since the “Third Democratization” wave, the political power in many countries, such as Russia, Belarus, Iran, Venezuela, Egypt, etc., has been elected by competitive elections, but as a result, elected leaders are strong men. Facing this situation, Western political theory, which is good at making concepts, says that these regimes are not democracies, but rather “competitive authoritarianism,” “electoral authoritarianism,” and so on, collectively referring to “unfree democracies.” This means that the concept of dualistic polity of democracy vs non-democracy based on competitive election is no longer tenable.

As a matter of fact, it is simplistic and crude to distinguish democracy from non-democracy by one yardstick. Now that democracy is divided into social democracy, economic democracy, and political democracy, is there no social democracy in any society? How much economic democracy is there in the United States? Is deliberative politics not a democracy, even if it is simply concerning the choice of a politically democratic leader? In fact, in John Rawls’ *The Law of Peoples*, a deliberative democracy is a “proper and orderly government”, i.e., a legitimate political system (Yang, Guangbin, 2016d).

In theory and in practice, a political system is the sum of the relations of power, including not only the traditional power relations of administration, legislation and judicature, such as the so-called presidential system, the parliamentary system, and also central-local relations, as well as the concepts of unitary state system, federalism, etc., and at a time when capital power was of the utmost importance, political system also includes state-society relations and government-market relations. For such a complicated power relationship, how can the nature of a political system be judged by one yardstick of “competitive elections”?

In the way of thinking of binary oppositions, many of the aforementioned concepts that make up the “world of ideas”, such as freedom, the rule of law, civil society, and so on, have become a “yes or no” question. Therefore, in the process of re-understanding Chinese politics from the perspective of comparative history, first, we need to break down the thinking mode of binary opposition. The dualistic opposition is a box, in which many concepts are building blocks.

2.2 A View of Approximate Polity

The father of political science looked at different political systems in an approximate way. According to the number of people to whom power belongs, based on a comparative study of 158 city-states, and following the tradition of Plato, Aristotle divided the political systems into monarchy (rule by one person), aristocracy (rule by

a few people) and republic (rule by a majority). At the same time, according to Aristotle, politics is the supreme good of the Polis, and based on the criterion of whether or not to pursue good Karma, the above-mentioned three types of government are interpreted as the abnormal tyrannies, oligarchies and civilian government. But in terms of Aristotle, the study of the political systems of 158 city-states is so complex that it can by no means be generalized by a few types, therefore, under a general category, a number of “sub-regimes” have been sorted out, and it is pointed out that the differences among the governments of the same type are even greater than the different types of government (Aristotle, 2008: 194–196). In response, Sabine points out that Aristotle pioneered the study of the political process, which was much more sophisticated than anything done by the latecomers. Even scholars in the conservative camp realize that Aristotle’s idea of government is of progressive differences in a single sequence, not an antithesis of types, and this kind of insubstantial difference provides the possibility for the transformation and the reform among political systems (Sabine, 2008: 148). That is to say, the “progressive difference” in the political system is actually an approximation issue, different regimes may be similar in the sense of the political process, not so different as their names suggest (Strause & Cropsey, 1993a).

As “progressive difference” in a single sequence of polity, the concept of approximate value of regime is closer to the truth, but ideologues and politicians do not like the view of approximate democracy, and so it is hard for it to catch on because it does not conform to the nature of political struggle, and does not accord with the theoretical nature of demonizing and labeling political opponents. But before the world was pitted against each other by ideology, the view of approximate value of democracy was very popular in America, such as Dewey’s pragmatic democracy; even during the bipolar Cold War, the concept of approximate value of regime was not forgotten, such as the famous American public policy theorist Lindblom’s theory of approximate value of democracy.

Even Cold War ideologues must admit that Dewey’s theory of pragmatic democracy was the most influential in the twentieth century. Dewey joined a heated debate in the 1920s with Lippmann, then the leader of American opinion. Lippmann stood for elitism, the belief that the masses are incapable of choosing good leaders, let alone governing by the people. Dewey’s emphasis on the public will and the interests of the majority led him to see democracy not only as a form of government, or a political system, but also as a way of life and an ethical issue. Therefore, democracy is not only political, but also economic, school, church, family and other aspects, and a way of life. Besides, even in a political sense, Dewey did not believe that the American politics in which he lived fitted Lincoln’s definition of democracy.

Frank Cunningham, a prominent Canadian democracy theorist, sums up Dewey’s approximation of democracy as follows (Cunningham, 2010: 190–192):

First, democracy is everywhere. Democracy should not only exist in the interaction between officials and people, but also in other aspects, and social life, family, church, school, factory and so on should be a democratic way of life.

Second, democracy is a matter of degree. Since democracy is everywhere, there are both democracy and anti-democracy in any country, and “public” in some cases may engage in

activities harmful to society. To this end, democracy is an ideal rather than a specific quality of a society. The key lies in how democratic or undemocratic the “public” is and how it can be made democratic. Public efforts in public affairs are at the heart of Dewey’s theory of democracy.

Third, democracy is deeply influenced by context. There is democracy in any society, and the degree of democracy is greatly influenced by the situation. Dewey is committed to the discussion of the best possible form of state and argues that political organization is primarily characterized by temporary and geographic diversity, and that public efforts in public affairs are empirical and vary with time and place.

Fourth, the puzzle of democracy always exists. From the third proposition, it is inferred that democracy is always an ideal, and the problem of realizing democracy always exists. “The basic tenet of pragmatism is that it is best to think of human affairs as a never-ending problem-solving process, as each solution creates a new problem.”

If Dewey’s idea of abstract philosophical and ethical approximation of democracy is based on a profound observation of American politics, then Lindblom, a famous public policy analyst, puts forward the concept of approximate value of democracy in his study of comparative political economy. In his opinion, there should be a place for big companies in the theory of democracy. However, liberal democracy theories have not expounded the principles, and their theoretical value is therefore bound to be greatly discounted. According to the classical Marxist theory of democracy, the control by large enterprises seems to be detrimental to democracy. Lindblom observed keenly that big business acts as a public authority, shaping discourse and influencing policy agendas. Such an important role is not even discussed in liberal democratic theory. Thus, given the influence of big business, American democracy itself has never been fully democratic, and the polyarchy is only an approximation of democracy, only a part of it (Lindblom, 1994: 279). “Polyarchy is just a rough approximation of any ideal model of liberal democracy or any other form of democracy” (Lindblom, 1994: 314).

On the other hand, while the influence of business on politics is not conducive to true democracy, it does mean political pluralism. Lindblom concluded: “Even in the absence of polyarchy, markets and private companies have adopted maximum mutual adjustment and political pluralism” (Lindblom, 1994: 299). It is also in this sense that Dahl uses the term “polyarchy” instead of “democratic political system”, which is quite objective.

The political economy tells us that if the market economy is used as an intermediary for policy process analysis, the political process of different countries will be more similar. If any country has a market economy, its interests must be diversified, and there must be the possibility of interest groups directly influencing policy making, even kidnapping, and distorting public policies. The approximation of this policy process is far more substantial than the difference in so-called forms of political system.

Chapter 3

Chinese Politics in a Grand Dimension of World History



Social science research provides knowledge not only of ideas and thinking, but also of facts and common sense. If we jump out of the cage of ideas and return to the real world, our understanding of China may produce another conclusion.

In the big historical dimension of the world, strictly speaking, the good times in the West are only after the Second World War. What happened in the West during the 200 years after the first industrial revolution? Not to mention internal political turmoils and bloody conflicts, human catastrophes also directly developed among Western countries, namely the two World Wars, which were the world disasters caused by the wars in the white world. After the Second World War, the Western countries carried out the welfare state policy of big buying off in exchange for big peace, and people began to live and work in peace. Over two decades later, in the 1970s, the economic and political crises emerged following the Vietnam War and the oil crisis in the West, both the pluralist Dahl and the conservative Huntington perceived that it was almost certain that the West was in crisis and unable to get out of it. Therefore, Dahl wrote the *Dilemmas of Pluralist Democracy*, Huntington and others wrote *The Crisis of Democracy*, and the Neo-Marxist Jürgen Habermas wrote *The Crisis of Legitimacy*, a book about Western politics. It can be said that at this time both the East and the West were in crisis. The difference is that the West relied on the neoliberalism, or return to the classical liberalism, to get through the crisis, while at the other end of the spectrum, the Soviet Union disintegrated itself. But the crisis in the West is structural, and behind the 2008 financial crisis caused by the neoliberalism, there must have been a problem with the political system.

The common sense of the grand historical dimension is that throughout the Western world, or what we call the early developed countries, especially those big countries that we are familiar with, almost all of them have stumbled all the way to today, and all of them are trying to survive the crises. In other words, the process of modernization of any country is accompanied by the crisis of governance caused by the crisis of transformation, which is full of the crisis of legitimacy in today's fashionable language.

The early developed countries that emerged from crises began to “retell” their history, and in the narrative of history during the Cold War, their crisis-ridden history was erased, depicting a set of good policies, good institutions, and good models, which were not historical, so that the newcomers, the emerging nation-states, can learn from it and imitate it. What is the result?

At the end of World War II, the United Nations was composed of more than 40 member states. Today it is composed of about 200, of which about 180 are developing countries. Of the 180 or so developing countries after the war, how many countries or regions have entered the economically developed order? No more than eight, half of which are concentrated in East Asia, including Taiwan, South Korea, Singapore and Hong Kong, and how did these countries and regions enter the developed order? All are contrary to the prevailing theory of the time; their paths do not conform to the prevailing “good policy” and “good system”. Not only South Korea and so on are in this way, the same is true of Germany and Japan, which have come to the fore from behind. For this reason, Nobel laureates in economics Shulz concludes, “the great changes that have taken place over the last 300 years on the basis of mainstream social thought have been overwhelmingly unsuccessful” (Lin & Justin Yifu, 2014a). Isn’t it? South America was quite affluent before the Second World War. After the war, it developed according to the import substitution strategy designed by the West and has been stuck with what South Americans call “dependent countries” as a result, and unable to extricate itself. The same is true throughout Africa, where political systems are all foreign, and the economic policies are typical of import substitution, resulting in “dependent states” like those in South America. The question is why East Asia, also a latecomer economy, did not fall into the trap of dependency and then catch up?

China has a lot of problems, and some of them are serious. But in the larger historical context, China faces a governance crisis that the West has experienced, and not necessarily worse. In the big space of world politics, China certainly has more confident capital than over a hundred developing countries. Moreover, using the counter-factual approach in comparison with comparable developing countries, China has even more reason to be confident in its path.

Chapter 4

Chinese Politics in a Broad International Spatial Vision



Since it is difficult to experiment tossing about with political systems, especially in large countries, it is true that the counter-factual method in comparative studies is a way to test the political choice. Comparative political research adopts counter-factual method not only in terms of hypothetical thinking, but also in terms of fact. For example, if China does not have a Western system, what will happen if it does? This is not testable. But to compare China with comparable countries with opposite political systems is an inverse test of the strength and weakness of China's political system.

Comparative political research is to choose the object that can be compared first. The starting point of the country's development after its establishment, the modern historical heritage, the size of its population, and the size of its territory are all necessary conditions for comparing developing countries. For this reason, it is difficult for China to compare itself with the city state of Singapore, or with the early developed countries, but only with other developing countries. There are many developing countries, and the best comparison is with developing countries with over 100 million people in the world or countries with similar political institutions.

4.1 The Same System with Different Choice: Comparison Between China and Russia

China did not implement the indirect democracy, but Russia, as a successor to the Soviet Union which adopted the same political institution as China did, followed the path of the indirect democracy. Then what happened? Even the Western countries that supported Russia's transformation eventually had to admit that Boris Yeltsin's Russia was a "lost decade", in which people of the country were in a state of eternal damnation, and the failed state of Russia called for the emergence of Putin, a political strongman. For more than a decade, Putin practiced what the West dubs "Putin-style democracy", a "manageable democracy", for which the academia labels "electoral

authoritarianism”, or a regime in which there are elections but no democracy. Russian politics, which the West views as being deeply negative, has the support of most of the Russian people. An interesting question is, is it important for a sovereign state to have the support of its people or to cater to foreign tastes? The answer is self-evident.

4.2 Democratic Centralism vs. Indirect Democracy

Of the nine developing countries with a population of over 100 million people, namely China, India, Bangladesh, Pakistan, India, the Philippines, Nigeria, Brazil, and Mexico, only one, China, has a political system of democratic centralism, while the political system of the eight countries is indirect democracy system, that is, a good system in the “world of ideas”, with a multi-party system, competitive election, civil society and so on. How have they gone? In the sense of governance, isn’t China their teacher? The international social science community likes to compare China with India, that is, the so-called “dragon-elephant competition”. According to the World Bank, since the 1980s, which was the formative years of India’s developed civil society, the gap between the two countries has been widening. At the present, the per capital GDP difference has increased six times (The United Nations, 2014). In terms of security index, Brazil, Mexico and Nigeria have more than 20 homicides per 100,000 people, Russia nine, India three, and China one (World Justice Project, 2014). Imagine who would want to live under an indirect democracy regime without a basic guarantee of life?

A quick comparison shows how far-fetched the hypothesis is which suggests popular liberal democracies provide better welfare than that by the “non-democracies”, and how counter-intuitive are the conclusions of the flood of quantitative research. The Harvard professors should know that the so-called liberal democracies offer better benefits than the “non-democratic” ones, suggesting that the “developed” is better than the “developing”, and the “developed” happens to be liberal democracies. However, good welfare is provided not because they are democratic, but because they are developed early; then were they developed because of democracy? Apparently not. When did mass democracy in the developed countries take place? This is all historical common sense! There are many elements of early development, among which war, plunder, internal ethnic cleansing, the rule of law, market economy, are the key variables. Harvard professors should not be tempted to swap concepts or make the methodological common-sense mistake of comparing countries at different stages of history with countries with different political systems. In fact, different political systems can be compared, that is to compare China implementing democratic centralism with the eight developing countries implementing indirect democracy. Then which liberal democracy offers better welfare than China? In my opinion, the common-sense errors of American professors in terms of methodology are not because they do not understand, but because they know that their political science is a part of national strategy.

Chapter 5

The Chinese Political View: Between the “General Way” and the Benefit



The reason is not complicated, and it is actually “common reason” that can be reasoned, however, the “common reason” is often drowned by various interests, and the general human reason may be emasculated by the group reasons, as the world politics of capitalist culture has shown. This is by no means the right way of the human world, so the political science striving for the integral distributive justice still calls for the human “common reason”. This is not to say ideologically that the China way is in fact above the “common reason”, and that the doctrine it proves is not in the lower class in morality and conscience.

As we know, politics is about the distribution of fundamental interests, about who gets it, how to get, and what to get. Therefore, views of people of different interests or different classes or structures on politics may be poles apart, and the views of the factual “special political and economic interest groups”, which have been formed since the reform and opening-up, are necessarily different from the political views of common people.

Since the 18th National Congress of the Party, more than 100 “Big Tigers” and more than 10,000 cadres at or above the county level have been punished, that is, various special interest groups, typical examples are the “West Mount Meeting” led by Ling Jihua and the “Oil System” led by Zhou Yongkang. In fact, a “special political and economic interest group” is the alliance of government and business. The officials in key positions abuse their power to shelter the commercial interests and even seize them illegally; they need the protection of the scepter while usurping the commercial interests. Commercial interests cannot only buy power, but also knowledge, which is the so-called “cultural reproduction” created by “economic reproduction”. Therefore, some scholars go against common sense to speak for specific interests. Under the basic political system and current policies, views of this kind of government-business alliance or officials in the alliance chain are different from those of ordinary people. What kind of regime can protect these interests? It is, of course, the indirect democracy based on private ownership. Therefore, it is natural for them to see Western-style democracy as “the end of history”, and for them to dislike or even resist the strong anti-corruption policies that have moved their “cheese”.

In other words, they not only want to transform the current system into Western-style democracy to protect their own interests, but also resent the current policies that touch their fundamental interests. It is obvious this kind of “special political and economic interest group” has already deviated from the principle of the unity of party nature and people nature, and the people’s subjectivity has become the subjectivity of their own interests, so that there appears a phenomenon that seems strange but also natural, i.e., courses designed to train officials should not deal too much with anti-corruption issues, for fear that such courses would be unpopular; likewise, views that are critical of liberal democracy’s “universal values” are unpopular with some officials, because it directly or indirectly touches their sore spot. This phenomenon in fact means that the Communist Party is facing threats from within, and that its party spirit and people-oriented principles have been threatened. For this reason, the principle of the unity of party nature and people nature cannot be overemphasized. Otherwise, the Communist Party of China will be indistinguishable from other political parties, and China’s future will not be any better. General Secretary Xi Jinping expresses thoroughly: “The party has no special interests of its own other than the interests of the working class and the broad masses of the people. If it had its own private interests, it would be able to do anything. There can be no interest groups of various kinds within the party, nor can there be political interest groups inside and outside the party that collude with each other and trade in power and money. The Central Committee’s unswerving opposition to corruption is aimed at preventing and eliminating the influence of such illegal interests on the party’s political life and restoring the party’s good political ecology. The sooner, the more resolute and thorough the work, the better” (Xi Jinping, 2017a).

This speech is the root reason for the unexpected anti-corruption. Behind the “Big Tigers”, such as Zhou Yongkang, Bo Xilai, Ling Jihua, Xu Caihou and Guo Boxiong, are various political and economic interest groups. The existence of these interest groups has corrupted the political ecology and is a great threat to the people nature and party nature and is bound to threaten China’s fundamental institution. Election bribery cases of representatives to the People’s Congress of the Chenzhou, the Standing Committee of the Nanchong and the representatives to the National People’s Congress from the Liaoning Province are all major threats to representative democracy. China is one of the few countries in the world that does not allocate political resources according to wealth. Any country where wealth determines politics is a minority democracy, or a capitalist democracy.

It should be realized that if we engage in a market economy, there will be special political and economic interest groups. The market economy inevitably brings about the diversification of the social structure, thus forming the unequal social structure, and the “spontaneous order” of the unequal social structure is to ally with the political power. In the West it is naturally a multi-party system, whereas in China it is an alliance between government officials and businessmen. The official-business alliance was born within the Party and represents the greatest threat to the democratic centralist principles. In other words, how to use democratic centralism principles to control special political and economic interest groups based on the market economy is a major challenge to the ruling party in the future. If handled well, it can stick

to the China way and the China model, and if it is not handled properly, China will become a member of the “club of universal values” and the people will suffer.

In addition to the political views of special political and economic interest groups, the interests of regions, departments, ethnic groups and even individuals all influence people’s views on Chinese politics and political trends, even if the people in the interest matrix are not influenced by the “world of ideas”, and even if they know the truth of comparing history and world politics, they will have unique demands and views on Chinese politics because of special group interests. Because of this, “Great Unity” gene of thousands of years may be destroyed; therefore the leadership of the Party is particularly important. So, the threat to China’s future is not only a Western-style political system resulted from special interest groups within the Party, but also a problem of national unity. The starting point of China is the “unification” of the country, without which there would be chaos. So, China is almost in cycles of chaos-governance, and the history of reunification and the history of division is almost half-and-half. The new China is a history of “reunification” and must never again fall into the cycle of chaos. The starting point of Western politics is “pluralism”, which led to 2000 years of chaos in which city-state wars, religious wars, state wars and even “World War I” and “World War II” destroyed mankind, and finally is the emergence of “nation-state”, which in fact is a form of “unity” of the West. In this sense, the history of the West as nation states begins in 1648 with the Peace of Westphalia, which has been a history of no more than 300 hundred years, while China has a national history of 3,000 years. “State” means unification, and a unified state is always faced with various crises and challenges.

Chapter 6

The World Experience That Is Significant to China and the Chinese Experience That Is Significant to the World



China in the view of comparative history and comparative politics is completely different from China in the view of the “world of ideas”, and the study of China from a comparative perspective is quite different from the study of China with no world view and only China. This is not to say how perfect China is but to tell us about the general knowledge of state governance, or even regular way of running a country.

1. The universality of the crisis of governance and the importance of the protection of civil rights. In terms of the comparison between countries, it seems to be comparing which country is better, but actually is comparing which country is more difficult. Which great power is easy to govern? The crisis of governance is inevitable and universal, as has been the case in developed countries, and developing countries are no exception. Since the crisis of governance is universal, then how to tide over these difficulties? One of the key lessons from political experience of the world is that while strengthening institution building, we should also strengthen the protection of citizens’ fundamental, social and political rights. Moreover, the civil rights should be regarded as the goal and guidance of the construction of the national system. In this way, the institution-building oriented to enhance the national governance capacity will make the political system more adaptable, and the guarantee of civil rights will in turn strengthen the attractiveness of the system.
2. The historicity of the political system. Mutual learning among civilizations is the inevitable way in the age of globalization, but it is not the reason to deny the civilization foundation of a country’s political system. Political systems without the civilizing gene are necessarily bad political systems, and therefore difficult to produce the desired results.
3. Harmfulness of the “world of ideas”. In the absence of the corresponding genes of civilization or in the stage of early development or even under-development, it cannot be expected development to engage in liberal democracy, or party competing for democracy. The “Alexis de Tocqueville Paradox” is the conclusion of the study of Indian democracy: India’s democratic government worked well in its early years precisely because it did not have a democratic society;

and when India's democratic society (that is, its fragmented, clan-based political parties and civil society) has developed, India's democratic government becomes untenable. This is the fundamental reason why India's twenty-year anti-poverty program has failed.

4. The theoretical nature of the Chinese experience. China should not be the theoretical testing ground of the "world of ideas", but the birthplace of theory. It is for this reason that the "China threat theory" of Westerners does not mean China's military threat, economic threat, but political threat, which is a kind of universal psychology of Western ideological circles. Political and social theory, based on Chinese historical culture and practice patterns, is a major event in rewriting the world's 300-year history. "The end of history" has been shaken by China's achievements, the West's own problems and the chaos of the transitional countries.
5. Adaptability of political development in China. The comparative advantage is not for the sake of American-style complacency. There is huge room for adjustment and development of Chinese politics, and China has the ability and desire to carry out political reform, such as the socialist consultative democracy construction project promoted in the overall deepening of reform. By contrast, the United States, with its "veto-based regime" of party-competing democracy and interest-group politics, is incapable of political reform. In Fukuyama's view, even the once-superior political system, if it cannot improve with the times to maintain the ability to solve problems, is a "political decay" (Fukuyama, 2014).

Part II

Evolution of the World Political System: Evolution of the World Political Structure and Global Impact of the Chinese System

To better understand China's political development, we must understand the world's political system and its nature. As the saying goes, the comparison reveals the truth. However, in the past, when we talked about the path of China's political development, we only focused on China's own historical context, so that no one could see the comparative advantages of China's path, and in many cases, all what we saw seemed to be problems. It is necessary to change the perspective of observation and put China's political development under the world political structure (world political system). At least in this sense, it is necessary to construct a world political history worthy of being called a new discipline—a discipline of the evolution and formation of world political system.

Is there a “world political history” about the evolution of the world political system? A library literature search shows only a book, *Modern World Political History* (钱亦石, 1950), published more than 60 years ago, whose content is basically description of major events in major countries, but does possess a little taste of world political history. Teaching materials and works in China on the history of international relations are overwhelming and dizzying, and there are at least 10 versions, both in multi-volume and single volume. The history of international relations, or the source of knowledge, should also include the history of world politics, which is the structural premise for us to understand world politics, especially the political development of developing countries. Being limited to a variety of concepts and theoretical paradigms without a history of world politics, it is just like the blind men and an elephant, or even running counter to the truth to see the political path of various countries, especially developing countries like China. Nor does the West have a systematic history of world politics about the evolution of the world political system for reasons to be covered later. Kissinger even goes so far as to say in the *World Order* that “there never was a truly global ‘world order’”. This kind of judgment obviously goes against the great history of the world, and the title of “World Order” also belongs to the logic confusion. Known as the first master of international political theory, Morgenthau's *Politics Among Nations*, which possesses a taste of “principles of world politics”, cannot be regarded as the history of world politics however, because it mainly talks about the basic theory and principles of

dealing with inter-state relations, the core of which is how to construct the “balance of power”. The recent translation of Finer’s three-volume *History of Government* is really about the evolution of governments, but how they relate to each other, or whether there is continuity, is not the task of the *History of Governance*. Immanuel Wallerstein’s multi-volume *The Modern World System* is about the evolution of the central, semi-marginal and marginal areas of the “world system” formed with the clue of capitalism (Wallerstein, 1998–2000). It can be called “the history of capitalist expansion”, and there is no doubt that it intersects with the history of world politics, and even possesses the flavor of “world political history”, but the political structure of the world, in terms of the political systems of the major countries and in terms of culturalism, is not the main focus of Immanuel Wallerstein. It can be said that, or it is because there is no special history of world politics abroad, hence there is no special history of world politics at home. There is no “China” in Chinese social sciences after the reform and opening-up, and they are almost entirely “borrowism”.

To construct a “new discipline” of historiography with the nature of a social system is undoubtedly a huge intellectual risk. Such a broad topic, involving many branches of “new disciplines”, and anyone can criticize or even deny it from the angle of any subject. However, this can only be regarded as a drive to build “new disciplines”. I believe that with such a “new discipline”, there will be some changes in our perspective on international relations, such as why the United States should “return to the Asia-Pacific”, why do both Obama and Hillary say that 1.3 billion Chinese should not be allowed to live the American way of rich life, and that America should not live under Chinese rule. More importantly, only with the world political history or the concept and vision of the world political system can we understand the nature and significance of a country’s political development path; only with the world’s political history in mind, can we avoid the arrogant and reckless labeling of normal patriotic behavior as “nationalism” or even “populism”.

Chapter 7

“History of World Politics”: The Evolution Process of World Political System



If a subject can be called “historiography”, it must be connected by definite clues, such as in the history of Sino-US relations, the clue is the history of communication between the two countries, otherwise it is a mess of codes rather than a clue of “history”.

In my opinion, only with modernity can there be a political history that can be called “world”, before that happened there were basically regional political histories. Therefore, the premise of understanding world political history is to understand “modernity”. Modern politics is the formation of nation-states and the advent of mass democracy promoted by the capitalist economy based on scientific revolution and individual rights, of which the dominant group has been that of white Christians for 300 years. Thus, the basic elements of modern politics are science and technology, individual rights, Western civilization (Christian civilization), capitalism, nation-state and mass democracy. Modernity is not equal to “Occidentality” but the fact that modernity originates from the West and is dominated by the West, which determines that the politics of modernity is full of “Occidentality”.

My preliminary view is that, since modernity is originated in the West (Western Europe), it determines the priority of the “subject” as well as racism as the de facto derivation of it, or, to put it simply, in “white superiority theory”, Westerners regard the priority of the West in modernity as the superiority of human race, which is a fact that cannot be ignored or is unignorable in the history of the world for hundreds of years. That was the first clue. Related to this, the second clue is capitalism—this is the most important element of what we call modernity. The ideology of capitalism is liberalism, and the “highest stage” of capitalism is imperialism and its practice is colonialism. Capitalism promotes racism, and thus evolves the basic structure and system of capitalism and white-dominated world political system.

“World political history” is a discipline, with its inherent provisions. What is the subject resource of world political history? On the normative level, there is no doubt that the highest level covers all aspects of world history or the history of world civilizations, which covers everything; and the second level covers world political history (including world economic history), whose subject resources atleast include

domestic politics, political thought history and international relations; and international relations history and so on, belong to the third level subject. I believe that the highest-level discipline belongs to the “meta-discipline”, which is the thought and historical resources for understanding the secondary discipline, and without the vision of the first and second levels, knowledge of the tertiary disciplines will likely be fragmented and directionless. For example, one cannot understand the political path of China without understanding the structure and nature of world politics. However, “meta-discipline” is not built in a castle in the air; it comes from refining the resources of lower-level disciplines. However, not all the disciplines of the third level can become the resources of “meta-discipline”, the “temporality”, that is, the time sequence, is very important here. Once “meta-science” is established on the basis of specific resources, it will be difficult for other discipline resources to enter into the structure of “meta-science”, because specific interest groups have already held the discourse power of “meta-science”. This is why scholars in the late developing countries feel powerless in the face of a flood of theories and paradigms. Nevertheless, the late-developing countries still have to use their own “low-level” local resources to promote their “meta-discipline” construction; otherwise, they will live forever in someone else’ power of speech.

Western social science has made a series of international relations history, international relations theory, but has not developed a set of world political history. Why? There are many reasons, at least many Western scholars do not want to face the historical facts of the two clues of cultural white superiority and economic capitalism (imperialist colonialism), which is indeed a bit embarrassing for the Westerners, so they put aside the theory of the nature of world politics, and set up the “three great doctrines” of formalism, namely, “structural realism”, “liberal institutionalism” and “constructivism”. In my opinion, these “three great doctrines” are just some formalism doctrines which proceed from the established international order or “international system” and demonstrate the rationality of the “result structure” (or “current state structure”) or the system, and dare not to question the ontological nature of how the international system emerged, and do not involve the “source structure” (or “procedural structure”). The so-called “process structure” is an evolutionary variable, that is, the dominant force in the process of political evolution. What is studied in it is how the “result structure” occurs, which belongs to “genesis”; “result structure” refers to the structural variable of evolution, which is a structure about the status quo.

It is natural for Westerners to discuss the rationality and even legitimacy of the structure of the status quo, so that people around the world psychologically agree and willing to accept such a result. However, Westerners are reluctant to question the “process structure” in the sense of “genesis”. What they are not willing to face is the starting point for the power of discourse we are trying to establish.

The construction of world political history will involve a lot of subject resources. But I think, considering the above three clues of culturalism, economism and institutionalism (international order or international system) we have to “selectively filter out” some factors or disciplines, even if they seem important, geopolitics, for

example, and look directly at the discipline resources that are most relevant. Accordingly, I think it is necessary to discuss the integration of economism, culturalism and institutionalism, and the most important disciplines involved are at least four: the political history, the history of political thought, the history of the international socialist movement and the history of international relations of each major country. Among them, racism in culture cannot be separated from the thread of ideological history, the twin of capitalism is socialism, and these basic relations deduce the “international system”. Therefore, the history of world politics is the basic trend of global politics and international relations, which is directly influenced by the thoughts and ideas formed by the development of domestic politics.

- (1) History of world politics and international relations. The history of international relations is the history of communication between countries, and its clue is clear and definite. In the epistemological sense, the established history of international relations tells us more about the world of becoming than about the world of being. The “three great doctrines” in IR theory are all typical “positive” theories, but are they close to the real world of world politics, namely “the world of being”? It’s probably hard to say. For example, when it comes to the imperialist scramble for colonies around World War I and the resulting wars, many textbooks on the history of international relations do not mention the theories of Hobson and Lenin on imperialism, which are the best explanatory theory; when it comes to the origins of the Cold War, many studies of the history of international relations have focused on “doctrinal” disputes and geopolitical factors, but not on the underlying ideology of racism (white supremacy) and the defense of capitalist power groups, but are these not the most important “the world of being”? In other words, the theories of international relations is basically on the legitimacy of the “current structure”. In this sense, non-Western scholars are helping to demonstrate the rationality of the “status quo structure” of Western countries. Therefore, the understanding of “the world of being” in international relations, that is, “process structure”, cannot be separated from the history of political thought and the domestic political development of the major countries. World politics is the extension of domestic politics.
- (2) History of world politics and domestic politics (history of government). First, world politics is not the sum of the politics of the major countries, but it cannot be understood without domestic politics (including a country’s economic structure and political culture). For example, the voyages of China and Spain were at around the same time, why, one is “here to visit”, and the other is “preemption principle” and occupied the “new world”? Navigation itself is an event in international relations, but the different results of events of international relations are determined by different domestic politics. Today it is clearer to see that almost all the conducts of international relations stems from domestic politics. Secondly, in an era of globalization, the political structure of the world, which is assembled by the domestic politics, inevitably influences the domestic politics of a country, especially for the late developing countries. For most of the late-developing countries, their modernization path is almost impossible to choose,

all are set, and there is no way to be right or wrong; but for China, a newly emerging late-developing country that has experienced independent revolution, the path is a little more autonomous. Therefore, from the formation of the world political structure to the comparison of the road of the late-developing countries, the importance of the world political structure to the domestic politics is more clearly demonstrated.

- (3) World politics and the history of political thought. The history of political thought is based on the theoretical crystallization of crisis events in major countries, from which the thoughts formed also dominate a country's external behavior. The most typical is liberalism, which is formed in the domestic politics, but the evolution route of its theory clearly shows that liberalism plays an important role in the world politics. It is in this process that we better understand the universalism of liberalism as a kind of racist arrogance. In other words, the understanding of world politics cannot be separated from the history of political thought. The theory of state relations seems to be very developed, especially the American theory of international relations after World War II. However, if we understand the nationalist nature of liberalism, we can realize the non-universality of Western international relations theory, it should be seen that these theories are formalism and do not address the root of the problem, that is, the white superiority problem in the “procedural structure”. We think that it is difficult to understand the essence of world politics by the existing international relations theory, and we need to understand world politics from the perspective of the history of political thought.
- (4) World politics and the history of socialism. In the process of the evolution of world politics, capitalism and Western white people are advancing all the way. The by-product of this process is the emergence of the socialist movement, which has formed a kind of counter-force. The process of capitalism from internalization to globalization also gave birth to the socialist movement from the politics of a region to the politics of globalization. Therefore, understanding the history of world politics cannot ignore the history of international socialist movement. Unfortunately, as a social science in a socialist country, it is an anomaly that the status of socialist studies has been greatly reduced in the past few decades.

To my eye, in order to understand the basic structure and direction of world politics, in addition to such basic clues as the history of civilization and the history of economy, at the very least, it is necessary to comprehensively integrate the history of governments, the history of international socialism, the history of political thoughts and the history of international relations, so as to form an overall world political history. Although based on these disciplines, the history of world politics must be shaped by the integration of the social sciences rather than by the jigsaw puzzle of the subdisciplines. For the study of the nature of social systems such as the evolution of the world political structure, any single discipline or cross-disciplinary splicing is powerless. In the words of Immanuel Wallerstein, “I do not adopt a multidisciplinary

approach to the study of social systems, but an undisciplinary (social) approach” (Wallerstein, 1998–2000).

World politics is not inter-state politics, nor regional politics, but a kind of global politics. Thus, world politics in the strict sense is nearly 500 years old. But in pre-industrial world politics, “politics” was not the most important factor. It was more of an economic relationship, of course, with brutal politics, such as the form of Spanish rule in South America. The event that linked the whole world politics is undoubtedly the “globalization” after the British industrial revolution. Therefore, the world political history mentioned in this book is mainly limited to 300 years of modern world history.

History is weird. In the age of the Axis Civilization, major civilizations blossomed, followed by the decline and even extinction of many civilizations. By 1000 AD, Chinese civilization out-shined others, while Europe after the Roman Empire entered the “Dark Ages”. However, Europe, emerging from the “Dark Ages”, has become a dominant force in the world, leaping from the “periphery” to the “center” position, and connecting the world to a “system”, hence the emergence of world politics or global politics.

There are many variants of the world system. Immanuel Wallerstein’s theory of the world system, for example, is about the “center-periphery” structure of capitalist expansion, in much the same way as the popular South American theory of dependence, the key word of which is capitalism. I think that to grasp “capitalism” is to grasp only one clue to understanding the world system, and the other clue is “the West” or “the white men”. Since modernization originated in Europe, Europe becomes the birthplace of the so-called modern nation-state, which was the product of war on the one hand, and trade and capitalism on the other. The modern order,¹ or various kinds of “world order” established by the Western white peoples of the nation-states, which take international law as the main body, constitute the so-called world system. The world system here is not only economically capitalist, but politically white, so the world system is actually the world political system. The world political system is undoubtedly the “international regimes” designed to protect its framers. I have no intention to argue about the origins of the world system. As the English School of International Relations Theory says the new world was discovered by Columbus in 1500, this book argues that the “critical moment” at which the industrial revolution was about to begin, at the time of the 1700, and from then on, the physical “earth” became an artificial “world”. Again, the three key words of the world political system are “capitalism”, “white man” (especially Anglo-Saxon) and “international system”.

Thus, the cultural racism brought about by the capitalist advantages of economics (including the later imperialist colonialism) and the so-called “international system” that eventually formed, that is, what we take as the three clues of “world political history” that can be called “world political system”, in which economism and

¹ Modernization is defined here only in terms of traditional theories of modernization. In fact, many facts show that China’s bureaucracy and secularized politics possessed modernity, at least up to the Song Dynasty, China has been very modern.

culturalism are “process structure”, and “international system” is “resulted structure”. Moreover, economism and culturalism have never been dualistic, but mutually corroborating. Culturalism vindicates (provide Legitimacy to) economism, and economics reinforced white superiority, and thus constitutes a white-dominated international order or “international system”. This was true in the nineteenth century, in the twentieth century, and of the basic structure and nature of world politics at the beginning of the twenty-first century.

It should be pointed out that, in the “process structure”, there exists what Polanyi calls a “two-way movement”, in which the by-product of capitalism is socialism, and the by-product of white supremacy is the right for national self-determination, and they are playing against each other. The “two-way movement” between capitalism and socialism, between the white supremacy and the right for self-determination, has become the “theme” of expansion and war in world politics, and these “theme” stories are promoted by various “isms”, including liberalism, imperialism, fascism, communism, nationalism and so on.

So, we can give a simple definition to the “(modern) world political history”, which can be called “world political system”: The world political history is the history of the evolution of the international system and the relations between states dominated by the white people, which is constructed on the basis of the white superiority theory driven by capitalism, and includes not only the evolution of domestic political system, but cannot be separated from the influence on the global order by the ideology which is delivered by the domestic political evolution.

The “international system” here includes not only the formal international organizations and regional organizations, such as the UN, the World Bank, the IMF, the WTO, the EU, ASEAN, the North American Free Trade Agreement, etc., as stated in the theory of international relations, it also covers the international law and the norms and ethics (informal systems) that govern these organizations, and more specifically the political structures behind these formal and informal organizations, for example, the bipolar structure during the Cold War, the single hegemonic structure after the Cold War, and the structure of Sino-US relations today. The political structure is the anchor of the international system. The nature of the international system depends on the political structure. The study of the international system without the visual field of the political structure can only follow the West.

Chart 7.1 shows us the nature of the world’s political system. First of all, the nature of “process structure”, whether it is capitalism or white superiority theory, is the typical expansionism or the history and theory that opens the way for expansionism. Therefore, the international system formed in this process of expansion is inevitably hegemonic in nature, and the hegemonic system is stable and interdependent. This is the logic of the liberal institutionalism that seems so pacifist. In fact, “hegemonic stability theory” really explains the nature of “international system”, but many non-Western scholars turn a blind eye to it.

The nature of the “process structure” is expansion, and the nature of the “current situation structure” is hegemony, that is, the international system (“result”) derived from the expansion, war and trade of capitalism and the white superiority theory (“the subject of action”) in the world political history. Having made clear of this will

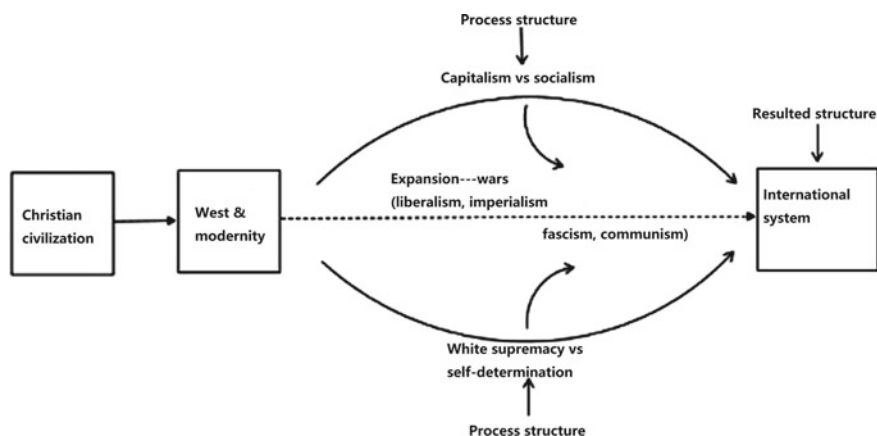


Chart 7.1 World political system and its evolution

help the Chinese who live in it to understand the political path they have chosen, and the sense of patriotism (which cannot be loosely called nationalism) that often accompanies the political process. Unfortunately, the Chinese who live in this “web of meaning” (world political structure), because of the academic pause caused by the isolationism, inevitably adopt the “borrowism” approach in social science, and thus their way of thinking is also changed.

To that end, it is interesting to note that, according to Google Scholar, among the top 11 most cited books on international relations, aside from two “general theories”, only two works of “process structure” are highly regarded, namely, Huntington’s *The Clash of Civilizations and the Remaking of World Order* and Wallerstein’s *The Modern World System*, the other seven most cited books are actually “current structure” works. See Table 7.1 for details.

Specifically speaking, the traditional realism about the balance of power is largely based on the Otto von Bismarck strategy of continental politics, a theory developed to understand the politics of a region (Morgenthau, 2002). After the Cold War, this balance of power spread from one region to the rest of the world, and realism needed to be upgraded, hence came Waltz’s structural realism (Waltz, 2008). The original plate of this theory comes from the “NATO-Warsaw Pact” structure under the US-USSR bipolar, so it is a static structuralism theory. However, the collapse of the Soviet Union dealt a fatal blow to this theory. The “one pole” suddenly collapsed, and the collapse of the “structural equilibrium” was a major failure of the theory, and then the structural realism was interpreted as offensive realism (Mearsheimer, 2003). This explains the unipolar hegemonic structure of the United States in the post-cold war era. In the same way, liberal institutionalism is an institutional expression of the “interdependence” of the world bank-IMF-WTO and even the Cocom, a theoretical expression of upholding the status quo of white capitalism (Keohane, 2001; Gilpin, 2003); however, when China stood up, the established institutions, such as the IMF, were challenged, and the US launched TPP and TTIP. So we cannot but ask, is “interdependence” is the

Table 7.1 Rankings of citations of international relations classics

	Authors	Works	Nature	Quotes
1	Roberl Axelrod	<i>The Evolution of Cooperation</i>	General	34,534
2	Samuel Huntington	<i>The Clash of Civilization</i>	Process structure	18,128
3	Francis Fukuyama	<i>The End of History</i>	Current structure	15,707
4	Kenneth Waltz	<i>Theory of International Politics</i>	Current structure	14,643
5	Thomas C. Schelling	<i>The Strategy of Conflict</i>	General	14,116
6	Immanuel Wallerstein	<i>The Modern World System</i>	Process structure	13,095
7	Robert Keohane	<i>After Hegemony</i>	Current structure	10,269
8	Alexander Wendt	<i>Social Theory of International Politics</i>	Current structure	7520
9	Keohane and Joseph Nye	<i>Power and Interdependence</i>	Current structure	6389
10	Joseph Nye	<i>Soft Power</i>	Current structure	6048
11	John Mearsheimer	<i>The Tragedy of Great Power Politics</i>	Current structure	5513

Source Collation from an August 5, 2016 article 国际关系经典著作被引用次数排名 (International Relations Classics Ranked by Number of Citations) at the International Relations Frontier Communication, wechat public address, Haiguo Tuzhi

“interdependence” between whom and whom? Is the rest of the world dependent on the United States only? If the West is dependent on China, will liberal institutionalism still work? Constructivism, which emphasizes “shared belief”, holds that the structure of human relations comes from ideas rather than interests (Wendt, 2000) so how or where did the shared ideas come from. Constructivism ignores or willfully disregards the “process structure” as described in this book. Its theoretical origin is the same as that of realism-liberal institutionalism, they all play the role of “agent” on the basis of the concept of “current structure”.

For “the world political system starting from China over again”, the first thing to be discussed is “China”, and to understand China, the first thing to understand is the historical and cultural “genetic community of civilization” (the theory of the primary structure of Chinese civilization). Chinese civilization is the only strong civilization in the world that has not been interrupted and continues to this day, thus we can see its vitality and its influence on modern China (Yang, Guangbin, 2016a); the second is to understand the legacy of the Communist revolution; the third is to understand the system construction of new China. This is the “starting point” for understanding the new system.

Starting from the “origin”, the way of Chinese economism influencing the world is the “state capitalism” advocated by Lenin, or the term “development state” used in the academic circles today, the core of which is the statism. This has formed a “two-way movement” with the individualism-based liberal capitalism in Europe and America. The role of China’s “whole country system” in the development of science and technology and the economic development promoted by it needs the attention of the academic community.

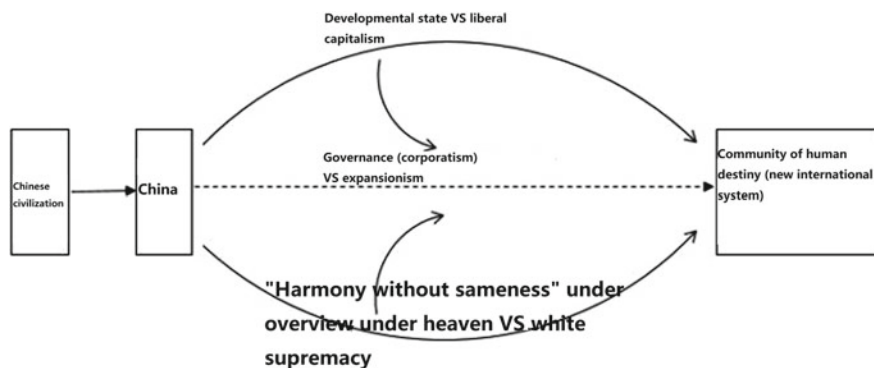


Chart 7.2 New international system

Unlike the racist exclusionary culture of “white supremacy”, China pursues a “harmony without sameness” under the “overview under heaven”, which in turn forms a “two-way movement” with the 300-year-old white supremacy. In essence, it is a “two-way movement” between the Confucian civilization of humanism and the Christian civilization of individualism, which transcends the two-way movement of socialism and capitalism on the surface.

The world political theme shaped by the state-centered economism and the culturalism of the “overview under heaven” must be the governance-centered corporatism, which, in turn, formed a “two-way movement” with Western expansionism that had prevailed for 300 years.

The triple “two-way movement” may eventually lead to a new international system with a “new current structure”, but it is no longer an international system dominated by a single race and culture; rather, it is an international order (including international institutions and international political structures) co-dominated by major stakeholders, perhaps what the Chinese call a “community of common destiny for mankind” (see Chart 7.2).

It is worth pointing out that, unlike the “world political system” established by the expansionist drive of the West on the “wild land”, the Chinese people must proceed from the established world political structure and world political system. Therefore, its “process structure” has a completely different approach, which is necessarily a gradual and peaceful co-operation, rather than a revolutionary replacement strategy. This is why we have repeatedly emphasized not to challenge the existing order. But the “consequential structure” is likely to be vicarious.

Thus, the “China solution” of constructing the new world political system faces many challenges at the beginning. Only in the twentieth century did the West encounter a major conflict with the international socialist movement and the right of self-determination of peoples, while the “world political system starting from China over again” encounters a “resistance war” at the beginning, for example, the TPP and TTIP are aimed at the trend of “Belt and Road” and “AIIB”. Of course, the more important limiting factor is the Western-dominated international law, international

norms, international institutions and other formal or informal binding mechanisms. In this regard, the Chinese people will never be as reckless as the West to open up territory. How to “stand out” in an established structure requires political courage (strategic decisive action), political art (strategic action) and political determination. The political system of the new world, which is not the work of one or two generations, needs a long time to be accomplished. It is a “long cycle” in which changes in quantity become a change in nature, and the size of China would make it possible for quantitative changes to become a change in nature.

Chapter 8

The Origin of World Political System: Capitalization of Domestic Politics



World politics is made up of domestic politics, so the starting point of understanding world politics is domestic politics. The spillover of domestic politics constitutes world politics, and the fulcrum of spillover is nationality and capital power. These are two keys to understanding world politics.

In the Middle Ages, Europe was plagued by religious wars. “Parishioners” fought each other to the bitter end, eventually creating a community of nation states to replace the religious community; as defined in the Peace of Westphalia in 1648, the boundaries of a country are defined by its people. Before that, Europeans had no concept of state, first of all, there was religious identity, that is, the so-called Catholics, the Protestants, and so on. By the late Middle Ages, there was a regional identity, such as the Germans, the French, and finally, the modern nation-state identity. The nation-state is the result of continuous wars. As Tilly said, “war makes the country, and the country makes the war”. It should be said that “nation-state” is the first element of modern politics and the platform of modern politics.

The second element of modern politics is capitalist politics, or “capital power”, as established by the capitalist revolution. There is no argument here as to whether the nature of the “capitalist revolution” is correct or not, because it seems to me that the “capitalist revolution” is an ex post legitimation or a historical narrative. May I ask, whether in the glorious revolution of the British in 1688 or in the American Revolution of 1776, where is the “bourgeoisie”, the main body of capitalism? It did not exist at all! The real history is that the “constitutional order” established after the revolution was particularly helpful to the growth of the bourgeoisie, who began to narrate history and make all kinds of claims of the so-called “capitalist revolution”. In Chinese parlance, the “capitalist revolution” itself is the result of historical nihilism, which “makes” history that does not really exist and gives it a halo of “glory”.

- (1) The nature of the English Revolution. Even if the glorious revolution of the 1688 and the American revolution of 1776 were, as Westerners say, capitalist revolutions, the post revolutionary constitutional order did help capitalism grow. We know, as the definitive form of the British revolution, Locke’s *Two Treatises of Government* said that “natural rights” are property rights, right to life

and freedom; this is actually a kind of path dependence, because one of the Roman traditions was to protect the rule of law for the private goods. Property right was the only qualification to participate in politics and deliberate politics, so “parliament” as the supreme sovereign designed by Locke was not professional, but semi-professional, that is, property owners (workers) legislated in the spare time. Note that, as Friedrich Heer ranked in the *History of European Thought*, Locke’s “natural rights” were not the rights of ordinary people, but the rights of special property owners. Indeed, when Locke championed the so-called right to property, he was buying and selling slaves—they were his property (Heer, 2007).

In any event, property right as “natural law” must be protected. The property right protected by the law avoids what the new institutional economics calls “the sovereign debt problem”. Henceforth, the sovereign could not borrow money without paying it back, thus ensuring the rationalization of the sovereign’s behavior, so that the sovereign could borrow more money. At the time of the British revolution, in the Iberian Peninsula of Spain, wars were going on, and the king borrowed money at will and was unable to pay it back, and the banks went bankrupt one by one. This is the story of the fall of the Spanish dynasty. The British latecomers came to the fore, defeating the Spanish Armada, largely because of the Spanish political and economic turmoil at home, and Britain defeated the overweening Spain that had made its fortune by plundering South American silver. In the early 18th-century battle for supremacy, with its debt-financed wealth, Britain defeated France, which had a much larger population, land area and national wealth. This process has been described by chronicler Fernand Braudel as “man-made wealth” and, of course, can be called “institutional wealth”. Thus Britain began the century process of “the empire on which the sun never sets”, ruling the world (Braudel, 2002).

At home, however, that did not mean with the glorious revolution there would be de facto “parliamentary sovereignty”. Throughout the eighteenth century, the struggle between parliament and the king was endless, and it was really a struggle between the old powers, the landlords who occupied parliament and the king, until the end of the eighteenth century when parliament gained the upper hand. However, it was only after the land aristocracy had completed the transformation of commercialization and the emerging class, namely the middle class that sprang up from trade, had matured that the so-called “parliamentary sovereignty” really came into being. The constitutional reform of the 1832, which abolished the old electoral system, had put the new class on the political stage. In Marx’s words, the bourgeoisie immediately tore off the tender veils of the feudal class and embarked on a naked plunder of interests. This was the domestic political context of the 1840, in which the bourgeoisie, having come to the stage of history and abolished the royal dominated East India Company, monopolized trade and became the absolute master of Foreign Trade, leading to the frequent occurrence of national wars fought for commercial interests. Statistically, no other country has waged as many wars for commercial gain as Britain. It goes without saying that the year of 1832 was a watershed in the bourgeois transformation of British politics.

- (2) The nature of the American Revolution. In the words of Westerners who have studied the American Revolution, the American Revolution was not a revolution of its own, but “Britain’s second revolution”. It is true that the American war of independence was a matter between the British suzerain and the British colonizers, and hence France gave its vigorous support to the colonial war of independence in revenge for the humiliation of having been defeated by the British in the war for hegemony. After independence, the Philadelphia Constitutional Convention in 1787 was not a “democratic moment” that the Chinese took for granted, but a “constitutional moment” in which the interests of slaveholders were ruled by law. As stated earlier, “constitutionalism” was by no means modern politics, but rather a classical tradition of governance, which came from the Roman Republic, and the Romans were Hellenistic. The ancient Greeks, such as Plato and the Aristotle, said that any regime without the rule of law is a bad regime. As Huntington later concluded, “the rule of law” or “constitutionalism” is the most typical resource of the West. Knowing this, we should know that the “constitution-making moment” is not the “democratic moment” with political meaning of modernity that some Chinese people are talking about.

Then what does the Constitution made by the 129 elite look like? First, to protect private property, the principle of “the sanctity and inviolability of private property” was made clear, and spoke out that the government that the United States wanted to establish was a constitutional system that prevented the direct management and participation of the majority. Second, protect “private property sacred and inviolable”. The principle of absolute majority was laid down. A two-thirds majority in the federal parliament and a two-thirds majority in the local parliament would be needed to amend the Constitution. This may seem very democratic, but it is anti-democratic. It should be noted, for a society with multiple interests, what kind of agenda or policy agenda would be acceptable to a two-thirds majority? So, this is a permanent catch-all clause to protect the interests of “legislators”, an economic constitution that protects the interests of minorities forever unless it is re-written in a revolution.

The constitutional provisions of the agricultural era are still in use today. For example, in 2016, the U.S. Senate voted to control guns because of the rampant use of guns in the United States, and a majority of senators agreed to such a bill, but again failed to reach an absolute majority. So, the election of either socialist Sanders or right-wing Donald Trump as US president is unlikely to change the constitutional structure of the US. With this in mind, Fukuyama once again made a childish mistake when he saw that America’s lower-class voters elected Donald Trump and Sanders as in true democracies, and that the people who voted were unlikely to change the constitution.

Mass democracy is modern politics, but the rule of law in the United States is a product of the Tudor regime, that is, the feudal system. In *Political Order in Changing Societies*, Huntington argues that in pre-modern feudalism, and even earlier, it was the pre-modern way of life that people were accustomed to acting according to

conventional “customary law” (Huntington, 2008). However, modernization needs people’s initiative, especially the government’s initiative to change. In the “rule of law” of the United States, in fact, tradition is supreme, and modern people can only live in the “Tudor regime” and it is hard for them to do anything. If the social equality of the United States is innate, that is, the new world guarantees people’s land rights, and thus guarantees that people can go to the new world without being oppressed, but the political system of the United States is the most traditional, a pre-modern system. It is also because of the constraints of the traditional system (less than two-thirds of the absolute majority) that many of the changes to the system have been difficult to pass. Moreover, many of American policies are a result of judicial decisions that take a long time to make. This “political judicialism” resulted in what Fukuyama later called “the veto-type polity”—it is hard for the government to do anything in the process of political division and judicial supremacy.

The economic nature of the U.S. Constitution, which protects the sanctity of private property, means that such a charter would be especially helpful to economic development, but it would bear different fruits. The North is capitalist industry, while the South is the plantation of slavery. In this case, the “talk” out of the US Constitution (later regarded by scholars as a model of “deliberative democracy”) is useless. Over 70 years later, the southern states insisted on a democratic vote to secede from the “United States of America”. President Lincoln, who represented the interests of the north, “crushed” the south and executed the massacre of Atlanta, the political center of the south, killing southerners so that they would not dare to resist. The civil war, which killed more than 620,000 people, was bloody for a population of 31 million. More than 2 percent of Americans died in the civil war, roughly equal to the entire population of Maine in 1860, more than the entire population of Arkansas or Connecticut, more than twice the population of Vermont, more than the entire male population of Georgia or Alabama (Fukuyama, 2015) and a death rate unprecedented in civil wars.

The Constitution of the United States, it seems, is upheld by war. If before that, the United States was still a confederacy, that is, a typical feudal system of separate governments, then the United States after the civil war could be called a real federal system. The war has created a new America. The United States was a modern state only after the unification war, but it was a quasi-anarchic state, with no modern government to govern it. In this context, the capitalist industry developed by leaps and bounds, giving rise to the “visible hand” of the trust company, at the same time, the United States immediately entered the “progressive era”—it was actually a dark period, full of private police, private courts, and the proliferation of counterfeit products. It was this unprecedented “crisis of governance” that gave birth to modern government agencies such as the Federal Food and Drug Administration. Crisis begets response.

- (3) The French Revolution. Was the French Revolution of 1789 a bourgeois revolution? If so, it was a petite bourgeoisie revolution—a revolution of the third order. You see, the French, who cared about royal honor, were attracted by a system of buying and selling official titles. Rich people wanted to be knighted and

become aristocrats. According to the author of the *Lineages of the Absolutist State*, this system greatly hindered the capitalist process in France (Anderson, 2010). Similarly, in Marx's view, the power of the state had left the French bourgeoisie in tatters, far from being strong and unified (Marx & Engels, 1995). Because of this, the regime after French Revolution was extremely unstable, and can be described as the "king's flag changes on the top of the city wall".

So how did French capitalism develop? Unlike the United Kingdom and the United States, France was developed by state power, the so-called state capitalism. Napoléon's civil code was a model for protecting property rights, and by the time of Napoléon's nephew, the Louis Bonaparte, there was mercantilist and free trade with the British. In fact, before the revolution in the eighteenth century, the foreign trade of France and Spain was based on the state, not on the shareholding system like the British East India Company—the king was just a shareholder. This is the so-called continental tradition, the role of the state from the beginning is very strong.

- (4) Capitalized Europe. By the middle of the nineteenth century, no matter what system was put into practice, as a monarchy, a constitutional monarchy or a republic, Europe completed capitalization. Of these, the German story is the most remarkable. The artist and philosopher Frederick II of Prussia, who thought he was born in the wrong place in the royal family, began the rule of law project in Prussia nearly 100 years before Napoléon, and together with his chancellor, the great jurist Cohen, spent half a century building the rule of law in the eighteenth century, codifying laws, establishing courts, and implementing a unified system of the rule of law. Under this system, the war gave birth to two economic systems: Tax and food. After the reunification of Prussia, the bureaucrat-dominated economy and education entered a period of great prosperity. The famous Siemens and Volvo were the products of state capitalism.
- (5) Liberal ideology. With the emergence and formation of the bourgeoisie, the liberal ideology expounded for the rationality of its interests began to emerge and be systematized. As mentioned above, as an afterthought, the historical narrative naturally goes back to the ideas of the pre-bourgeois period, such as those of Machiavelli, Hobbes, Locke, and so on.

First of all, the expansionism of the bourgeoisie determined the importance of individual rights, the inviolability of property rights. Accordingly, the rule of law as a means of protecting property rights was also essential. Individual rights, property rights and the rule of law are the key words of the ontological nature of liberalism. This theory originated in Locke's *Two Treatises of Government* and was amplified by the Scottish Enlightenment, whether it was Hume's "automatic equilibrium" or the "invisible hand" of Adam Smith, it was a theory that spoke to a new class that was just emerging.

Liberal ideology originated in the UK and advanced to Continental Europe. The French Enlightenment was really about promoting British doctrine and, more importantly, learning about the British political system. Unfortunately, France did not have

the social foundation of the British bourgeoisie, so although a great revolution was conducted under the banner of “people’s sovereignty”, in the end the sovereign was not the “people” in action, it was the various “old forces” instead; and what emerged, as Alexis de Tocqueville put it, was “the overthrow of an old regime, but the new regime was more centralized”. Not only that, in France in the following 100 years and more, various political forces repeatedly contested, and the political turbulence emerged cyclically. It also shows the importance of the social basis of the political system.

The French Revolution deeply stimulated the German intelligentsia, who advocated the establishment of a new state, the “Hurricane Movement” emerging. But the rational Germans realized that the primary task was the reunification of the state, and so the German intellectuals preached not the “freedom, democracy, fraternity” of the French revolution, but a nationalist statism.

Germany’s theory of national centralism was the first wave of hedging against the liberalism of British social centralism, which is in fact a struggle for the national road. At the same time, liberalism gave birth to another powerful rival—socialism. After the political capitalism in the West, especially in Europe, the socialist movement was born in time. At most, the domestic socialist movement acted as a moderator of capitalist politics and could not change capitalism. However, the European Socialist Movement produced an unexpected result, that is, the emergence of Eastern socialist countries, which fundamentally changed the world political structure. This is another story.

- (6) The disaster of liberalism in practice. Individual-rights liberalism looks beautiful, but in practice it is not so idyllic, bulldozed relentlessly. Whose rights are individual rights? The rights of liberty were the rights of a particular class, of a particular people, simply put, the rights of a superior class, of a superior people, which were in fact privileged. Privilege was separated from society, forming the “capital leviathan” which dominated the society, and the “political society” as Locke called it evolved into the “market society” in Polanyi’s *The Great Transformation* (波兰尼, 2007). The “market-oriented society” changed the human survival structure and the social structure unprecedentedly. Under this new structure, the government became the “management committee of the bourgeoisie”, the function of the government was in the state of “capitalist night watchman”, and the government did not protect the poor in the market-oriented society, leaving the lower class living conditions to be imagined. Not to mention the brutal cutting off fingers and ears of the unemployed homeless during the enclosure movement. It was during the second revolution in the mid-nineteenth century that hundreds of thousands of workers lived in industrial cities like Manchester and London, where no fire apparatus, disinfection or air conditioning were available and plagues were common. In the United States, from the social disorder of the “progressive” period to the Great Depression of 1929, it was a living hell for the poor. During the great crisis, GDP fell by more than 30 percent, unemployment accounted for more than a quarter of the population, and the government was still beholden to

liberalism, and you can imagine the misery of the American people. Therefore, today's Western countries have gone early in the development stage, and their welfare is naturally more, but in the history of the West, the tragedy was no less than today's developing countries. While liberalism and capitalism have been developing human society, they have also brought unprecedented disasters to human beings. Not to mention the devastation inflicted on humanity by the two world wars, both of which were the product of liberal failure.

It can be said that since the beginning of the capitalist industrial revolution, human society has entered the crisis of modernity politics, and modernity is accompanied by crisis. For this reason, the criticism of capitalism and liberalism by the wise men is no less than the criticism of socialist practice. However, the history of the disaster of socialist practice is still in our recent memory, and many people feel the pain more deeply, such as the "great purge" of the Soviet Union and the "Cultural Revolution" in China. Comparatively speaking, every "ism" since modern times has brought disaster to mankind, in which liberalism and socialism have the dual nature of progress and disaster, and fascism, a by-product of liberalism, is totally a cancer of humanity.

Chapter 9

The Emergence and Nature of World Political System: The Colonial System of Imperialism



Unconditioned liberalism was molded from the outset into universalism, and the rights of the individual under natural law were models of universalism. In this process, racism, or the doctrine of white supremacy, pushed liberalism to non-Western countries, which in turn led to more bloody world politics. Therefore, when scholars regard Locke and John Stuart Mill as the forefathers of liberalism, they should not ignore the fact that they are also the forerunners of imperialism. As Huntington points out many times in *The Clash of Civilizations*, universalist liberalism must ultimately be imperialism (Huntington, 2002: 359).

We know that world politics is made up of national politics and that world politics is the natural continuation of domestic politics. The process of foreign colonialism began when the early Western countries had not finished the process of capitalism, because the Western countries had two pillars in the process of nation-building: war and trade. Thus, while they were capitalizing at home, they were also capitalizing on foreign policy, and when the West was capitalized in the late nineteenth century, the colonization of global politics was complete. This is the starting point of common sense in our understanding of contemporary world politics.

The first classics of contemporary politics, therefore, are Hobson's *Imperialism* and Lenin's *Imperialism: The Highest Stage of Capitalism*. The "empire" theory and facts emerged a long time ago, such as the Roman Empire, but it belonged to the typical military imperialism. Economic imperialism is the story of capitalism. Lenin's logic is that capitalism necessarily leads to monopoly mode of production, and monopoly capital leads to the financial capital, that is, the integration of banking and industry, and then because of overproduction and the export of capital overseas, the countries compete to divide up the world, thus establishing the colonial system of imperialism. Lenin defined imperialism as "imperialism is capitalism at a stage when the domination of monopolies and financial capital has been established, capital exports are of outstandingly significance, international trusts have begun to carve up the world, and some of the largest capitalist countries have carved up all the territories of the world" (Lenin, 2012). World politics today, like the 2008 World Financial Crisis and the war for monopoly interests, is still political logic that Lenin defined.

Hobson and Lenin only defined “imperialism” in the economic sense. In fact, imperialism is bound to be accompanied by cultural racism, that is, liberalism as a capitalist ideology is to be described as “universal”, and the so-called “backward peoples” must be treated with cultural imperialism; it also supported the cultural rationality to carry out the imperialist policy to prove the “white superiority theory” and obtain the so-called “legitimacy” of being ruled by alien. Therefore, imperialism is bound to have two sides of its own: economic and cultural (racism).

(1) Economic imperialism. As soon as the “capitalist revolution” was completed, the Western countries began the process of imperialism and colonialism. There were two stages: the first stage was the slave trade, the second stage was the occupation of colonies and carrying out colonial rule. In the sixteenth century, the Atlantic trade in slaves from Africa amounted to \$300,000, in the seventeenth century to \$1.35 million, and in the eighteenth century to over \$6 million, and the sum of these periods amounted to \$10 million. While being engaged in the slave trade, Britain sold arms to Africa in order to allow African chiefs to capture slaves, and as many as 300,000 guns were sold to Africa. Such “one in (guns) one out (slaves)” (Acemoglu & Robinson, 2015), thoroughly hollowed Africa. Guns kept African chiefs in power, and the slave trade permanently and completely deprived Africa of the rarest and best resource for human development—a healthy workforce.

(2) The second phase of colonial rule. The tiny Nordic nation of the Netherlands began colonizing the thousand-island nation of Indonesia in the seventeenth century, until the end of World War II. At about the same time, Britain began the process of colonization by the “East India Company” in the seventeenth century, which lasted for more than two hundred years. By 1850, a complete system of colonial administration was established. The height of colonialism was the agreement reached at the Berlin Conference of 1884–1885 to divide Africa among the European powers, with only Ethiopia and Liberia spared. After that, the great powers changed their emphasis and began the process of semi-colonization of China, a great power in the East.

It should be noted that all the problems of the late-developing countries are all related to the sequelae of colonial rule. Colonialism is not only economic but also cultural. The theory of colonialist culture constructed in this period still has a deep influence on the world today, and many of the elites of the late developing countries are ensnared in cultural colonialism, consciously or unconsciously.

(3) Cultural imperialism. Morgenthau concluded, “imperialist policy will always need ideology, because imperialism will always have a burden of proof compared to the policies of the status quo. It must prove that the status quo which it seeks to overturn should be overthrown, and that the moral legitimacy of what exists in the minds of many should give way to a higher moral principle calling for a new distribution of power” (Morgenthau, 2002: 141). In Morgenthau’s view, the cultural imperialism is the most successful imperialist policy if it does succeed.

Its purpose was not to conquer territory and control economic life, but to conquer and control the hearts and minds of people as a means of changing the power relationship between the two countries. If one can imagine that the culture of country A, and in particular its political ideology, together with all other concrete imperialist objectives, has conquered the hearts and minds of all the decision-makers in country

B, then, country A would have won a more complete victory than military conquest and economic control and would have established its hegemony on a more stable basis than military conquerors and economic dominators. There will be no need for country A to resort to military threats, military force or economic pressure in order to achieve its objectives; for the purpose of subjecting country B to its will, this can be achieved through the persuasive power of a superior culture and a more attractive political philosophy (Morgenthau, 2002: 199).

Morgenthau also believed that the cultural imperialism was subordinate to military and economic imperialism, and that with the exception of Rome, “all the great imperialists from Alexander to Napoléon to Hitler have failed”, but he also recognized that “since the Second World War, economic imperialism and cultural imperialism have greatly increased as a proportion of the government’s overall international activity” (Morgenthau, 2002: 101–102). A new example of success, apart from Rome, should be the cultural imperialism of the Cold War. Objectively speaking, the Soviet Union was defeated not by military and economic competition, but by the cultural hegemony of the United States.

This is the general principle of the inevitability of the existence of the cultural imperialism and its historical role and status. Different cultural imperialism has completely different meanings, the nineteenth century began the theory of white superiority had a biological basis-social Darwinism. In fact, this kind of white superiority theory belonged to the “mainstream theory” of the West in the nineteenth century. By the end of the nineteenth century, with the global colonization process of imperialism, the “white responsibility” theory became a great clamor. Huntington put it this way: “The concept of universal civilization is a unique product of Western civilization. In the nineteenth century, the idea of ‘white responsibility’ helped to justify the West’s expanding political and economic domination of non-Western societies. At the end of the twentieth century, the concept of universal civilization helped to justify the West’s cultural domination of other societies and the need for those societies to emulate Western practices and institutions. Universalism is the Western ideology against non-Western societies” (·亨廷顿, 2002: 55–56). In fact, as Morgenthau said half a century ago in the classic politics among nations, universalism is all about nationalism, or “nationalist universalism.” In other words, the racist “white superiority theory” still plays a role in various forms, rhetoric and even models.

The racism represented by “white superiority” is reflected in the colonial administration. Some Western liberal thinkers, who are regarded as “gods” by the Chinese, are the typical racists and colonialists. This, of course, was after the nineteenth century, and before that it was mostly naked trade plunder, including the bloodiest slave trade. It can be explained that the liberalism thought is produced by the bourgeoisie and is the ideology of the bourgeoisie.

John Stuart Mill is the most representative. After joining the East India Company to assist his father in 1823, he remained with the company until 1858 was dissolved and was promoted to inspector, the company’s highest position in India. As the author of *On Liberty* and the colonist in Indian, he not only endowed freedom with intrinsic value, but also created “civilization hierarchy theory”. “In terms of culture

and level of development, it is arranged by community status, and the lowest end of the sequence extends down almost to the highest level of the herd,” Mill wrote. The low-end community leads a life of “savage self-reliance.” It takes an “absolute ruler” to teach them obedience. At the top of the hierarchy are the slave classes, who can only perform “tedious and sustained labor”. Above the slave class are “paternalistic dictatorships” in which the state exercises general control over society, but with a degree of freedom for the individual, a level reached in ancient times in the Inca in Peru, Egypt, India, and China, and then they came to a standstill. At the top is Europe, where the British are representative, fit to rule, just as the British ruled India, and the great advantage of “alien rule” is that, it can drive a nation “through several stages of development” faster than any even the best native ruler, and it can “remove obstacles to development” (Mill, 2015: 33–35).

It was this racism that determined, in *Considerations on Representative Government*, Mill argues that although representative government is the best form of government, it is not the best form of government for all peoples, only those who meet the “conditions” of the representative government are entitled to its benefits; for those of lower civilizations, belonging to “foreign forces” and a “largely despotic” government, is appropriate and necessary. Two things further reinforced Mill’s racist ideas, i.e., the 1857 Indian soldier uprising and the Jamaican Peasant Uprising of 1865, which led to mill’s disavowal of applying the idea in *On Liberty* to communities outside the British Isles, and he sang the praises of the East India Company government and even thought that the hope of British India was to keep a strong British government for a long time (Mill, 2015: 57).

The extreme form of cultural imperialism is genocide. The Hitler massacre of six million Jews and the Serb massacre of Muslims in the 1990s are, in a sense, modern versions of the cultural imperialism, of which the original form was the genocide of the aborigines during the white colonization, and Australia, the United States and Mexico were the products of the genocide. Before 1788 when the first fleet arrived in Australia, there were more than 300,000 aborigines, and in 1901 down to 93,000, a loss of 80% in a century. In the Americas, there were about 60 million to 100 million people on the American continent before Columbus’s arrival, of which there were about four million to nine million Indians in the the new world occupied by Americans. By the 1900 census, there were only 237,000 people left, a loss of at least 95%. This “achievement” is due, of course, to the massacre of Indians by the so-called civilian president of the United States, Jackson, in the 1830s, particularly in California. There were about 310,000 Californian Indians in 1769, leaving only 31,000 in 1860, 80% of whom were killed in the extermination wars of 1840–1850. In Mexico, too, more than 90% of the population was lost to the Spanish rule (Mann, 2015: 95–98). After all, the Third Reich killed 70% of Jews in Europe in its 12 year existence. All of this is typical of a genocidal culture, and for the cultural imperialism, “genocide is an achievement,” the so-called social Darwinism story, where the aborigines were wiped out, “A new civilization was born”: “Both Hitler and Heinrich Himmler use the example of American genocide as a reference when thinking about their own genocide (ways)” (Mann, 2015: 123).

If there were no genocide, what would become of American democracy? Can different races practice indirect democracy? In response, Michael Mann commented: “America and Australia are white democracy, not democracy for millions of murdered people. Murderous ethnic cleansing, at worst genocide, is the key to the liberal modernity of the new world – first it was carried out by the colonizers in the colonies, then by the independent ‘first new nation states’. This process continued in North America, South America and Australia until there were virtually no more indigenous peoples to exterminate, except on reservations where the remaining members of some tribal peoples were preserved. And it is not the state, it is ‘we the People’ (with the help of local politicians and paramilitary) who did most of these things” (Mann, 2015: 137).

So far, it is safe to say that the twin pillars of the nineteenth-century world political system were economic capitalism (economic imperialism) and cultural imperialism shaped by the cultural “white supremacy”. Economic imperialism is a naked plundering of economic resources, and cultural imperialism is an undisguised doctrine of racial superiority, which stimulates the solidarity of all segments of non-Western society to share a bitter hatred of the enemy, even the indigenous cultural elite cannot tolerate discrimination and being treated as a lower civilization. Therefore, it was the local cultural elites who led the masses and launched the wave of resistance against imperialism and colonialism, and the world political system dominated by the white men was disintegrated and reorganized.

And, of course, we should see big problems emerging in the “white world”. By the end of the nineteenth century, the Western world began to panic about the “decline of civilization” that unfortunately has become a reality, which was the vicious competition among white people for territory. One of the results of the First World War was the emergence of the Soviet Union. In the decade after the First World War, there was an unprecedented crisis in libertarianism, the great crisis of 1929–1933. The crisis not only bred fascism, but also made it impossible for countries such as China, which were so far behind in the world’s political structure, to survive, and had to find a new way out. We will talk about this later. In the white world, feeling that there was no “living space”, Hitler launched an all-out war against Anglo-American capitalism and Soviet socialism, which resulted in a communist camp out of World War II. The two world wars greatly weakened the white men’s ability to control the world, which led to the springing up of new nations like mushrooms after the rain.

Chapter 10

The Collapse and Realignment of World Political System: Socialist Movement, National and Democratic Movements



The power to break up the system comes from within. Domestic capitalism gave birth to a twin class—the proletariat, the world system of colonialism gave birth to the organizer of the new nation—the power of National Democratic Liberation. And it was Vladimir Lenin’s October Revolution that first tore apart the white dominated world political system. Russians are white, but white Orthodox, not Anglo-Saxon, not white Christian, so the classic “white supremacy” does not include Orthodox Slavs. More importantly, Leninism came from Marxism, and the International Socialist Movement under the guidance of Marxism was a struggle against domestic political capitalism, and the Soviet Russia was a break from the world’s political system. From then on, the victory of socialism in one country became victory in many countries, the formation of the communist state powerfully infected the struggle of the colonial elites for national liberation, and the white dominated world political system suffered a severe setback. But the West, relying on a more sophisticated ideology, won a “war without gunpowder”, extending its dominance of the nineteenth century.

(1) European Socialist Movement. If feudalism in Europe gave birth to capitalism, then capitalism gave birth to socialism. However, the growth of socialism was not the result of “spontaneous order”, but the result from “in itself” to “for itself”, which was marked by the publication of the 1847 *Communist Manifesto* and the subsequent birth of the “Communist League” and the “February Revolution” of 1848, and fundamentally changed the social fabric of Europe. No one could have predicted that the actions of Marx and Engels would fundamentally change the structure of world politics, so Marxism has been regarded as a “millennium great man”.

The Socialist Movement went from Marx’s establishment of “dictatorship of the proletariat” through violent revolution to Kautsky and Bernstein’s “revisionism” with parliamentary struggle as its main line at the end of the nineteenth century, the latter entered a big debate with Lenin about whether it should be a violent revolution or a parliamentary struggle. By the design of the “revisionism”, the occupation of parliament through peaceful elections, and parliamentary legislation in favour of the working class, could also serve the purposes of Marxism’s desired revolution. This shift in fighting style should be said to take into account the situation in Germany, but

the reality is that even with a majority in parliament, it would be difficult to achieve the desired goal—the power of capital would vote with its feet, i.e., if laws were enacted against the interests of capitalists, they would divert capital, which would lead to a decline in employment and a rejection by the working class when they vote again. Thus, in a capitalist society, any government must cooperate with and depend on capital, which is an unchangeable social structure. So the Social Democratic Party of Germany eventually had to abandon the idea of abolishing private ownership, and the idea of nationalization through elections proved unworkable. This was the early contribution of today's famous comparative politics, Przeworski (2012).

So the Socialist Movement in Europe, at best, acted as a counterweight to capitalist politics and could not change capitalism. But the Socialist Movement brought about changes in the political structure of the world. If there used to be only capitalism and white people, now there is a new force of socialism, the world political structure of the three major forces have become capitalism, socialism and white people. After the first World War, the world politics dominated by the white people in the West began to be shaken. The White Slavs came and the yellow people in Asia slowly returned to the world political stage. In this way, the “isms” in the world political structure are capitalism and socialism, while the national subjects are pluralistic—the white Christians, the white Orthodox Christians, the yellow people and other nationalities. In short, there are two lines: The ideological battle and the national battle.

(2) By the time of the First World War, the International Socialist Movement, which believed that the working class had no homeland, was facing unprecedented challenges because the Social Democratic Party of Germany, as the leader of the socialist movement, supported the country's war, and “Second International” was in name only, so in the West labour movement went into low tide, and the East lit up the beacon of socialism.

(3) The October Revolution of Soviet Russia and communist camp. The First World War between the white peoples tore apart the world political structure of the imperialist colonial system, and the world's first socialist regime emerged. The emergence of the Soviet Russia had at least three major implications: First, it was the first socialist state in the world, thus creating a confrontation with the capitalist states, which had a real adversary. Second, because it was socialist, the original concept of “white men” changed, and that was the question of “what kind of white men”, which determined the difference between the Christian white men and the Slavs white men. Notwithstanding, by the time of the February Revolution of 1848, European countries were in panic and asked the Russian emperor to send troops to help; thus, Russia became the savior of Eastern Europe and even Western Europe at that time. Racial differences, coupled with ideological rivalries, deepened the antagonism between East and West to an extent that was difficult to bridge. Third, the spillover effect of the “October Revolution” was the first to show the world that the poor could have their own regimes, thus laying the foundation and setting the example for the revolutionary and liberation movements of the late developing countries.

The basic principle of socialism is equality, which is immediately apparent in Soviet Russia's foreign policy. In 1919, when the victors of the First World War arranged a meeting for the world order, the Western powers ignored the victor, China,

and gave Japan Germany's colonial power in China's Jiaodong peninsula, to which, outside the Peace Conference, the Lenin Administration firmly opposed, demonstrating that Soviet Russia was unswervingly committed to defending China's interests. The Paris Peace Conference greatly stimulated the Chinese intellectuals who had been worshipping the West and turned from pro-West to pro-Soviet Russia. This is the world political context, that is, "with a cannon shot from the October Revolution, Marxism was sent over here".

In this way, the nascent Soviet Russia became the centre of an International Socialist Movement that in 1919 established the Third International. There were some wrong practices of the Third International, such as the Great Power Chauvinism, but the support and leadership of the Third International were of great significance to the founding and even the revolution of the Communist Party of China. The Communist Party of China, founded in 1921, became a branch of the Third International the following year. Among other things, the role of the Third International cannot be ignored in the establishment of Mao Zedong's status in the Yan'an period. Many of the backbones of the Chinese revolution also came from the Moscow University.

Not only that, Lenin also put forward the "national self-determination" for the equality of all peoples. Although US President Wilson's "14 principles" also had the principle of national self-determination, but at that time, the United States was more acting desperately because it was a weak country, and the United States not only had "Monroe Doctrine" that other countries could not touch, but also engaged in colonialism in the Philippines. Therefore, its previous policy towards China was "Open Door Policy, and interests shared equally", which was not intended to protect any other country, but was the policy for the situation being beyond its reach. So by comparison, the American "right to self-determination" is at most dubious, and naturally making people suspicious, and in case that the "big three" (US President Wilson, British Prime Minister George and French Prime Minister Georges Clemenceau) dominated the Paris Peace Conference, why should the United States cater to the policy of partition of Britain, France and other countries? Why not advance China's interests? Therefore, it is not so much a "Paris peace conference" as a "war conference"—the imperialist policy foreshadowed the resumption of the war that followed. So, the 20 years that followed the Paris Peace Conference were called "periods of truce", not "20 years of peace".

In any case, the emergence of the communist state brought an end to the imperialist colonial system since global capitalism, and the collapse of the colonial system completely shook the "white supremacy". So, if the communist states had torn apart the system of capitalist globalization established in the nineteenth century, the emerging countries that emerged from the National Democratic Liberation Movement undermined the dominance of the whites established in the nineteenth century. The political structure of the world was reorganized and Cold War politics came into being. The West changed the way of the struggle of culturalism, from the naked racism to the infiltration of ideology in culture. That is another story.

(4) National Democratic Liberation Movement and political Islam. Nationalism has a long history, but the Socialist Movement directly gave birth to the National Democratic Liberation Movement. The 1950s and 1960s saw the climax of the

National Democratic Liberation Movement in Asia, Africa and Latin America, and emerging countries were born in bulk. The National Democratic Liberation Movement had politically dismembered the Western-dominated colonial world system, but the “colonial legacy” had deeply influenced the political and economic development of many former colonial countries, and the Soviet and American systems they repeatedly tried largely failed to work and people’s livelihoods languished. In this context, the “new idea”—“liberal democracy” constructed by the West in the Cold War period was regarded as a panacea, so the countries transformed into Western-style political system one after another, which in turn compressed the socialist movement (Yang & Guangbin, 2015: 97–129).

In this way, actually there have been two stories in nationalism after World War II: one is that the Socialist Movement dismembered the imperialist colonialist system with the help of the National Democratic Liberation Movement; the second is that capitalism has used nationalism to dismember socialist states, such as the breakup of the Soviet Union and Yugoslavia, whose direct culprits were nationalism.

Islamism came into being very early, but political Islam was born with the National Democratic Liberation Movement after the Second World War, especially religious radicalism. After the Cold War, the “Arab Spring” triggered by the “Greater Middle East Democracy Project” of the United States transformed the Middle East, which led to the collapse of the Middle East order, and then formed the refugee crisis that threatened the security of Europe.

Chapter 11

Cultural Offence in the Cold War and Regaining Political Dominance of the World



The Socialist Movement and the National Democratic Liberation Movement dismembered the colonial system of Western imperialism, but capitalism, the traditional dominant force in world politics, and the white West, have not ceased to exist. Instead, they have changed the form of political struggle to maintain its two-century dominance, one of which is the construction of the so-called international regimes, and what is more important is to replace the white superiority of the cultural doctrine with the universal value of the liberal democracy. Western countries use these two sets of tricks to lock up the non-Western academic and ideological circles.

International relations are awash with research on international institutions. In short, after World War II, three “international regimes” were formed: the United Nations in politics, a stage that could be used by both camps; NATO and the Warsaw Pact in military terms, and nuclear weapons that ensured mutual destruction; and economically, it is the Bretton Woods system constituted by the International Bank for Reconstruction and Development and the IMF, and the Cocom that sanctioned the socialist countries, and the economic body of the Communist State is the CMEA. My view is that Waltz’s Neorealism is a theoretical account of a polarized military structure, while Robert Keohane and others’ liberal institutionalism is a theoretical account of the interdependence of various economic organizations. Therefore, the Western international relations theory is the research on the rationalization and legitimacy of the established structure, a typical formalism theory, and a very “Western” theory. However, it is this “Western” formalism theory that has a profound impact on the teaching and research of the international relations in non-Western countries.

(1) Cultural offensive and cultural hegemony. The West did not win the Cold War economically, nor militarily, but culturally and ideologically. If international institutions were defensive in defense of the capitalist economic system, the West was entirely offensive culturally, thus establishing cultural hegemony, or cultural imperialism.

By the Cold War, through the socialist and nationalist movements, “white supremacy” had long been thrown into the dustbin, but the defense of white supremacy reappeared in a disguised new form, which is the liberal democratic

theory as a universal value that comes directly from Christian civilization. In the face of economic imperialism and the humiliation by white supremacy, the elites and the masses of the colonial countries were united in their hatred, however in the face of a liberal democracy with a changed form, many of the elites of the non-Western countries had succumbed, and the Soviet Union was defeated without a fight. So, it was ideology that contributed most to the victory of the Cold War by the West.

What is liberal democracy? First, liberal democracy is a set of value principles and an alternative to capitalist democracy. Before the Cold War, the popular expression in the Western ideological circles was capitalist democracy, which was replaced by liberal democracy, and “democracy” was transformed into procedural “electoral democracy”. Ordinary people do not necessarily like capitalism, but they tend to prefer freedom, and liberalism itself is a set of value system formed after the emergence of the bourgeoisie, which is also an important reason why Western countries have replaced capitalist democracy with liberal democracy (Zeng & Yang, 2016).

Secondly, liberal democracy is a system of institutions. Liberalism is the anchor of democracy, that is, democracy is a kind of institutional arrangement to realize liberalism. If the core of liberalism is individual rights, property rights and the rule of law, the reformed “democracy” is electoral democracy or competitive election. We must be clear that competitive elections are not a competition between individuals, but among the parties. Therefore, electoral democracy is called “partisan democracy”. This is the way to achieve representative government. Among them, the right to property is the cornerstone of constitutional government, which is an institutional arrangement invented at the beginning to guarantee the right to property of individuals, whereas the competitive election is a political practice of pluralism. But such politics is carried out within the legal framework of constitutional government, not so much as a threat to property rights, so that the expansion of voting rights does not create what Alexis de Tocqueville calls a “tyranny of the majority”. Not only that, but because of the popular vote, competitive elections give legitimacy to a political system based on individualism.

Finally, liberal democracy is a highly conditional doctrine, and “conditionality” is even more important than the form of democracy itself. When Western countries promote liberal democracy as a “universal value”, they are actually talking about a “universal system”, reducing liberal democracy to “electoral democracy”. In fact, even in the context of liberal democracy, competitive elections require at least the following: The rule of law to protect property rights, a developed capitalist economy, a culture of pluralism based on liberal political consensus, and homogeneous social structure, that is, political players are not “from a different race”. In other words, if party-competing democracy takes place in a heterogeneous culture with no rule of law and full of ethnic and sectarian conflicts, the result will be disaster. The famous liberal democracy theorist Robert Dahl also had to admit that liberal democracy is difficult to operate in a country that has neither the historical conditions nor the basis of social reality (达尔, 2012). The history of modernization in developed countries and the real politics in developing countries have proved the rule that the social conditions of democracy are more important than the form of competitive elections,

and the implementation of so-called “electoral democracy” without corresponding social conditions is by no means a blessing to the country and the people (杨光斌, 2015: 256–268).

As partisan politics, electoral democracy is a kind of modern political system, and modern politics can never be divorced from their respective historical and cultural traditions and grow healthily in isolation. So, what are the civilization genes of liberal democracy, with competitive elections at its core?

Liberal democracy is the political expression of Christian civilization. During the Cold War period, in order to reform the non-Western societies, the Western countries developed a set of “political modernization” theory with “liberal democracy” as the core according to the Western society’s prototype, which they applied to the study of the non-Western countries, but the result is not “political modernization” but “political decay”. The fundamental reason is that the modernization theory with “liberal democracy” as its core is deeply rooted in the Western tradition.

Liberal democracy is a kind of modernity politics, but this modernity comes directly from its tradition—the Christian civilization. From the Middle Ages to the present, the Christian civilization has been the foundation and the mainline of the Western civilization, and has directly shaped the Western political civilization with the political system as the core. Without understanding Christian civilization, we cannot understand Western system civilization. What are the characteristics of Christian civilization? Some of the key elements generally acknowledged include: individualism fostered by Christian doctrine, the classical resources of the ancient Greek philosophy, Catholicism and Protestantism derived from Christianity, linguistic diversity in small areas, and dualistic religious and political relations, the rule of law as a Roman heritage, including the social plural forces of monasteries, friars, guilds, and later associations and societies, and the representative bodies resulting from pluralism. These elements may also exist separately in other civilizations, but their synthesis is unique to the West, which is the “Westernization” of the West.

After understanding what constitutes a Christian civilization, let us look at the elements of liberal democracy, such as individualism, how constitutionalism protect property rights, pluralism, and partisan democracy derived from pluralistic forces, it is not difficult to find that there is a high degree of overlap in many elements of liberal democracy and Christian civilization. Since modern times, especially in the Cold War, the theoretical foundation of liberal democracy has been the Christian civilization, which is a kind of modern political expression of the Christian civilization, a kind of political Christianity. In other words, Christian civilization is the ideological and institutional foundation of liberal democracy.

Then, why does the system civilization that comes from one kind of civilization system become “universal value”, “universal system”? This cannot but be attributed to the West’s strong material civilization. The world civilization includes the material civilization, the spiritual civilization and the system civilization. The strong material civilization will promote the spread of the spiritual civilization and the system civilization. However, the antagonism of world politics in a certain period makes the spread of spiritual civilization and system civilization a kind of religious war which can only be won but not lost. The American master of international relations,

Hans Morgenthau, said in *Politics among Nations* that “universalism in religion” is “nationalistic”, and “universal values” are not recognized by Samuel Huntington in *The Clash of Civilizations*, that they are just value systems of strong nations imposed by nationalism (Yang & Guangbin, 2016b).

In the process of spreading Christian civilization, there was a serious “clash of civilizations”, not only the continuous religious wars between European countries in the Middle Ages, but also such “intercontinental wars” against heretics as “Crusades”. We regret to see that, as a political Christian liberal democracy in the “universalizing” process, which has also triggered the “clash of civilizations”, resulting in world political turmoil.

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(2) Third Wave of Democracy and the political chaos of the world. Since the end of the dictatorship of the Portuguese “Carnation Revolution” in 1974, there has been a so-called tide of “Third Wave of Democracy” in world politics, and more than 70 countries in East Asia, South America and Eastern Europe have undergone “democratic transition”, ostensibly building liberal democracy. For a time, the Western world was in a state of excitement, “the end of history” became a great clamor, and “universal values” put on the stage. Now the time and the situation have both changed, how do the so-called “universal values” and “universal institutions” of the West perform in the transitional countries?

The effectiveness of state governance and the satisfaction of people’s needs are the most basic criteria to measure the political system. Otherwise, the so-called liberal democracy is “ineffective democracy”. There are several types of countries that have experienced the “Third Wave of Democracy”: the first category is those that have basically achieved the target for effectiveness, which are few and far between, and essentially located near the European Union; the second category is a return to traditional institutions, what the West calls “democratic reverse,” including Egypt and many countries in Central Asia; the third category is cyclical political turmoil, civil war and even division, such as the Soviet Union, Yugoslavia, Ukraine, Thailand, most African countries; the fourth category, basic political stability but with long-term ineffective governance, such as some of large developing countries surrounding China and many countries in Latin America.

Our bigger finding in comparative politics is, first, of the 150 or so newly developing countries that emerged after World War II, no country has yet joined the developed world as a result of liberal democracy. Second, of the nine developing countries with a population of over 100 million, China is the only country that practices people’s democracy, and the other eight countries all practice liberal democracy; as a result, only China is an “effective democracy”, and the other eight countries lag far behind China in important measures of governance. The reason is simple: “partisan democracy” is about dividing the pie, and there is no pie in the developing

countries; even if there were a slice of the pie, without the rule of law, the pie would not be divided well. If democracy is about the distribution of power, the rule of law is about binding power, and when power is unfettered, even with the so-called democracy, it can never be better.

Faced with the above results, even American scholars who vigorously promote Western-style democracy have to admit that “poor governance” as a result of “democratization” is a spectre that is hard to shake off. Some Western scholars simply attributed the difficulties in making progress of the institution and practice of liberal democracy to the “genetic problem” in the relevant societies. This “genetic problem” is actually the civilized basis of the political system (Schmitter, 2012: 107). Liberal democracy is obviously the political form of Christian civilization, but is disguised as “universal values”, and introduced to the world. The result is necessarily being unacclimatized in non-Western society and then lead to disaster. We can see that in the politics of non-Western societies, competitive election is a kind of partisan democracy, which is bound to have a variety of political conflicts in the developing countries with heterogeneous cultures. If it is “universal value” and “universal system”, how can liberal democracy have such an ugly fate in non-Western society?

Even in Western countries, notwithstanding the competitive elections have run well, when their corresponding social conditions change, for example, society split, the original homogeneous culture evolves into heterogeneous culture, partisan democracy will also be the biggest problem. The latest example being Britain’s Brexit referendum in 2016, the farce of the US election and “the massacre in Nice” on Bastille Day. The “clash of civilizations” is no longer confined to inter-state and world politics, but also exists in domestic politics.

The political disorder of non-Western society due to the practice of liberal democracy, the attitude of Western society towards refugees from West Asia and North Africa, especially the “clash of civilizations” within Western countries, in fact, have rejected the myth that liberal democracy is a “universal value”. A large number of cruel facts tell us that what kind of political system a country adopts and what kind of political development path it takes must be adapted to the civilization genes of the country. There is absolutely no so-called “universal system”.

At this point, we can judge that world politics, 300 years of capitalism, white supremacy and the “international system” constructed by them, all have encountered an unprecedented crisis. Where will world politics go?

Chapter 12

“Chinese Are Coming”: The World Political System Starts Anew from China?



Westerners often use such eye-catching headlines as “the Chinese are coming” to talk about the so-called “China Threat”. Of course, those who say “China rules the world” are not all China phobias, but also admirers (Jacques, 2010). Perry Anderson, a prominent leftist scholar, also believes that after the American hegemony wanes, the power structure in the contemporary world will probably be dominated by China (安德森, 2010). So what does “Chinese” mean? How did China emerge from the crisis and become the world’s second largest economy (China Model)? How will China write the history of world politics?

(1) “Chinese” means size. Scale is not the general sense of quantity, but it means difference in “nature” to increase in scale to a certain extent. Over the past 500 years, the first country to dominate global trade is the Netherlands with a population in millions, second is Britain with a population of tens of millions and third is the United States at the level of ten millions; China now is of 1.3 billion! 1.3 billion versus 100 million, let alone tens of millions, is not a matter of quantity, but a matter of nature. Insightful strategists know this all too well. Lee Kuan Yew, a politician from a small country, put it this way in 1994: “The scale of China’s participation in the status restructuring in the world makes it necessary for the world to find a new balance in 30 or 40 years. It is impossible to pretend that China is just another big player, it is the biggest player in human history” (Huntington, 2002: 257). Huntington said 20 years ago, as long as China’s domestic politics remains stable, East Asia and the world must “respond to the growing self-aggrandizement of the largest player in human history” (Huntington, 2002: 257).

Size matters. What strategists foresaw 20 years ago has come true. China is now the largest trading partner for almost all developing countries, and it has the capacity to carry out large-scale construction projects in almost all countries at once. According to Professor Zhu Yunhan’s summary, the arrival of the Chinese is the first time in 300 years that “southern countries have been given wholly new opportunities for independent development.” These include:

For the first time, a rising superpower does not confront the less developed nations with the mindset and attitude of marauder, dominator or civilized supremacist;

Possesses the ability to build power plants, power grids, fiber-optic networks, railways, subways, highways and seaports in as many as one hundred countries at the same time;

Able to provide the world's low-and middle-income groups with an all-round supply of high quality and low-cost industrial products, and help billions of people move into the digital and internet era;

Take officially opening financing institutions and state-owned enterprises as the main driving force for economic cooperation and development assistance, and not in terms of maximizing return on capital;

As the largest trading partner and source of investment, understand the national conditions, and refrain from inculcating ideology, coercing trimming the foot to fit the shoe and coups d'état (Zhu Yunhan, 2016).

In short, this is a new type of superpower that “talks about economy” to its partners in the world. It is completely different from the Western economic “cooperation” or “aid” with strong political purposes attached to the sovereignty clause.

So how did the Chinese come into being (development strategy and political system)? China, with a population of 1.3 billion, will have to learn to open up, but it is impossible to copy exactly one model, especially when it comes to the political system that determines a country's destiny.

Therefore, the theory that studies how the Chinese have come about, that is, the study of the China model, has become an eminent learning. I believe that the discussion of models alone is not enough and that policy choices are crucial. In short, from 1949 to the present, in terms of the “timeliness” of the policy, first, Mao Zedong established the country through state power, then land reform following the victory of the revolution, which was an indispensable prerequisite and infrastructure for the modernization of underdeveloped countries, and on this basis, the liberation of “human” (gender equality, education equality) and egalitarian modernization have been realized. These had laid a solid foundation for later reforms, such as a healthy workforce and highly literate workers. Consistency in the 30 years before the reform and the 30 years after the reform and the uniformity in state-building must be recognized. After the reform and opening-up, property rights are first recognized as the core of economic rights, and at the beginning of the twenty-first century social security is recognized as the core of social rights. Thus, in the most basic dimension of country construction, namely power-right, the order is “state power-human liberation-economic rights-social rights”. This is the strategic order of China's political development (Yang & Guangbin, 2011b).

This strategic order takes place within an established pattern. My view is that while economic models are important, the economic policies and economic models of many countries in the world are not very different from those of China. The fundamental difference lies in politics, the decisive role of the political system at a given moment. On the political path, comparative politics tells us that China is one of the few, but also the largest people's democracy. In the past 300 years of world politics, capitalism has gone from dominating domestic politics to dominating global

politics, establishing an imperialist colonial system dominated by capital power. The National Democratic Liberation Movement of the 1950s–1960s was a hedge against and resistance to the globalization of capitalism; when the naked economic plunder hit a wall, capital power emerged as a “cultural hegemony”, capturing the elite of developing countries and winning the “war without gunpowder” in ideology, and the result was a tide of the so-called “Third Wave of Democracy” that changed global politics, with the power of capital once again gaining political momentum. In the process, China relied on its strong independence to ride out the global tide and hold on to the People’s Democratic position. The question to be asked is whether capital power is good for the people or whether People’s Democracy is good for the people? The answer can only be found in Realpolitik: who enjoys more welfare, the Chinese or the Indians?

The political system for realizing the political path of the People’s Democracy is the democratic centralism as opposed to the indirect democracy, a political system that first organized a disunited China and then developed and prospered China, having experienced the version 1.0 of revolutionary period, version 2.0 of the first 30 years of the New China and version 3.0 since the reform and opening-up. It is an imperfect but fully viable system of government in which democratic centralism 3.0 has more forms of democracy, such as, deliberative democracy, social autonomy, participatory democracy, decentralized democracy, electoral democracy and more individual freedom, and democracy and centralism are moving towards a balance. Democracy and centralism are by no means binary opposites, but organic unity. A certain degree of centralism ensures the separation of powers and freedom, which is the key to the success of a giant country like China. In fact, how can decisions be made without the will of the authority behind the myth of “liberal democracy”? Is a non-decision-making, non-governing “democratic government” worth expecting? (Yang & Guangbin, 2016c).

If liberal democracy leads to “ineffective democracy” or ineffective governance in the developing world, the achievements of democratic centralism governance are obvious. Democracy without governance is not worth pursuing, but once you have it, you cannot get out of it. It is also in a comparative sense that democratic centralism in the political process is a “governable democracy”—a democratic model consisting of three elements: “democratic participation-government response-responsible politics” (Yang & Guangbin, 2013).

(2) The global significance of the Chinese system. Mao Zedong predicted 60 years ago that by 2001 “China should have made a greater contribution to mankind” (Mao, 1999). This prediction became a foregone conclusion. China is no longer a “greater contribution” to mankind, but a huge contribution; peace and development are the most important themes of mankind, and this is the best measure of a country’s contribution. First, as far as China’s contribution to world peace is concerned, since October 1949, because of its adherence to the Five Principles of Peaceful Coexistence, China has basically been involved in the war passively and in self-defense, such as resisting the U.S. and aiding Korea, the Sino-Indian War and the Sino-Vietnam War, and China has never waged war against other countries for promoting its own system and ideas; not only that, China is a ballast for regional peace. Secondly, the

contribution to the cause of human rights on the basis of development. The right to subsistence is the largest and most basic human right. New China has contributed as much as 75% of the world's poverty alleviation, which stems from its contribution to the world's economic growth as much as 27%. By comparison, what have developed countries with small populations and superior resource endowments contributed to the cause of human rights in the world?

Why has China been able to make huge contributions to mankind? No doubt credit should be given to the “China solution” composed of the China way and the Chinese experience, i.e., the China model. At a ceremony to mark the 95th anniversary of the founding of the Communist Party, Xi Jinping declared that China “has the confidence to provide a China solution to mankind's quest for a better institution” (Xi Jinping, 2017b). By 2049, what contribution will China's political solution, made of “people's democracy-democratic centralism-governable democracy”, make to mankind? This is beyond the scope of our current knowledge structure. The significance of world politics lies in that it enriches the world political civilization and updates the development theory.

First, the Chinese system has enriched world political civilization. During a visit to the Confucius Institute in Qufu, Xi Jinping called for “four clear explanations.” Among them, “to explain clearly the outstanding traditional Chinese culture is the outstanding advantage of the Chinese nation, and is our most profound cultural soft power... to recognize cultural diversity, must recognize political diversity” (Xi Jinping, 2014a). This is cultural confidence, cultural inclusiveness based on the history of world civilization, and therefore philosophy of history.

However, as one of the main modes of thinking in Western philosophy, the dualistic antithesis under monotheism must also be embodied in its political civilization, the most typical manifestation of which is the “end of history”, which is in fact the end of political civilization. The world can only have this one political civilization form, and the politics that does not conform to the Western-style democracy is “non-democracy” or “authoritarianism” and must be transformed into “the end of history”.

This theory completely ignores the reality of cultural diversity in world politics and the civilization genetic basis of political systems. In form, modern politics is characterized by sameness, such as social organization, party politics, electoral politics, representative system, and so on. But why do countries with the same form of politics, such as India and Britain, and the Philippines and the US, have vastly different levels of governance? This is determined by the social structure and civilization genes of each country. In other words, the sameness of the political form cannot change the cultural diversity based on the civilization genes, and the civilization genes and social structure under different cultures directly shape the actual effect of the political system. Therefore, democracy is important, but effective democracy cannot be separated from its corresponding social conditions.

This political logic is borne out by the harsh realities of world politics. One is that of the 150 or so late-developing countries after the Second World War, not one of them has become a developed country because of the implementation of liberal democracy. Second, some countries and regions that once joined the ranks of developed countries have experienced “reverse development” as a result of their

partisan democracy. Argentina in South America, Greece in Europe and Taiwan in East Asia are all living examples. There is no end in sight to this trend of “reverse development”. Third, when the external security pressure of the Cold War was lifted, the partisan democracy in Europe and the United States and other countries evolved into infighting without restraint, the party politics became polarized, the indirect democracy became a “veto-type regime”, and the government could not move a step. Not only that, Britain’s “Brexit referendum” was actually a product of the excesses of electoral democracy, which not only directly infringed on the vital interests of not so few “minorities” in the form of “tyranny of the majority”, but also a direct threat to Britain’s national identity; a partisan democracy is evolving into a divisive system that has dismembered many of the late developing countries, and a referendum on Scotland’s independence is not far off.

At this point, we can say with confidence that the Chinese system has enriched the world’s political civilization, which is based on the political path and political system that has been explored based on its own civilization genes. General Secretary Xi Jinping has stressed that, the system and capacity of governance of a country are closely linked to the country’s historical and cultural heritage”. Cultural confidence is the foundation of political confidence; “politically, the ‘ultimate theory of capitalism’ has been shaken, the miracle of socialist development has occurred, Western capitalism has been defeated, and with the financial crisis, the debt crisis, the crisis of confidence, its confidence has been shaken. Western countries have begun to reflect, and openly or secretly compare China’s politics, economy and its way”.

Second, the Chinese system has renewed the theory of human development. In the essence of things, human beings choose “good system” in order to better development, and to live a better life. However, the prevailing “good institutions” and “good policies” have not only failed to solve the development problems of the developing countries, but also led many countries to get stuck in a quagmire. In the final analysis, it is the development theory that has gone wrong, and China’s “miracle of socialist development” stems from its new development theory—the theory of development capability—which Xi Jinping contributed to at the UN Development Summit in 2015. We believe that capacity development is closely linked to a particular political system.

For 300 years, there have been roughly four waves of human development. The forerunners of national development always try to package their successful experiences into theories, so that the followers can learn from and even imitate them. Following the development of Britain (the first wave), in the mid-nineteenth century there was a popular theory of libertarianism based on the British experience, with the free market at its core, but the Germans found this to be a theory of “kicking off the ladder” to prevent latecomers from climbing onto the roof, and the British theory obscured the actual role of the state. So, the Germans went against the prevailing libertarianism theory, carried out the state-centered development path and succeeded in reaching the top (second wave), of which the core is the role of the state. In the middle of the twentieth century, the policy option offered by the West is import substitution, which failed in countries from Latin America to Africa, while the East Asian “tigers” succeeded through an export-led strategy (third wave), at the heart

of which is policy orientation. After the Cold War, the development theory given by the Western countries is the “three movements” of political democratization, economic marketization and governance socialization, aiming at de-nationalization. However, the developing countries were in need of the state power to organize and the state power was already weak; for these countries to undergo de-nationalization would certainly produce the result one can imagined. Instead, China has become the world’s second-largest economy (fourth wave) by following its own political path and sticking to its own political system.

China’s development is the culmination of the experience of the first three waves, including the state, the market and the policy, and the coordination of these three elements is based on the theory of China’s institutional capacity for development. The main body of a country includes government, market and society. Among them, when the government power is too strong, the market and the society will lose vigor and even be drowned out; if the capital power in the market is too strong or the society is fragmented, no matter how good the government’s policy is, it cannot work. Therefore, only the system that harmonizes the three will have the desired development capability. In other words, the ability to develop comes from the system.

The Chinese system harmonizes the state, society and market organically, and the development capability shown by this system capability consists of the following elements: the system absorbing power, the system integrating power and the policy implementing power. The so-called system absorbing power is that the state effectively meets the social requirements through the policy supply, obtains the social approval and the support, thus realizing the harmony between the state and the society; the so-called system integration power, which is manifested in the power relations in all aspects integrated on the basis of the principle of democratic centralism organization, has formed the above-mentioned six “effective preventatives”; the so-called policy implementation power is the ability to formulate policy authoritatively and to implement it effectively.

While we do not promote our own experiences or institutions, the capacity for institution-based development has attracted the attention of developing countries. Some countries “take China as a yardstick” to measure how good or bad or fast or slow they themselves are, some political parties are starting to learn from the CPC’s Party school training system, and some countries are starting to learn from China’s experience in economic development.

(3) “The Chinese are coming” and the reorganization of the world political system. Size matters, and it is the size of the Chinese. This means that the traditional world political structure faces the issue of restructuring. First, the Chinese are of the yellow race, and the significance of their rise is many times greater than that of Japan when it became one of the world’s great powers, a challenge to the culturalism of a white dominated world political system. Second, the Chinese practice what Vladimir Lenin calls “state capitalism”, or what theorists today call “developmental states”, is very different from the individual-rights-centered liberal capitalism that dominates the world system. For policymakers in all developing countries, they cannot hope to develop the country if they believe in the so-called liberal capitalism of individual

rights. Third, culturally, China pursues a people-oriented “Overview under Heaven”, which is quite different from the racist “Western-centrism”.

So, how does China’s developmental state handle its relationship with world politics? By comparison, if the US gives priority to other developing countries by “stressing politics”, China gives priority to “stressing economy”, which is the fundamental difference between China and the United States in the way of “global governance”. At present, the two main lines of “stressing economy” are the “AIIB” and the “Belt and Road” initiative. If the AIIB is an institutionalist strategy, then the “Belt and Road” is an infiltration strategy. Whatever the strategy is, it is welcomed by the countries concerned, at least not so rebuffed as the “political strategy” of the United States. The IMF, for example, is a “sovereign fund”—a loan or aid with political strings attached—while China’s AIIB is based solely on economic necessity. It can be argued that AIIB is a way for transformation in which the political structure of the world is fundamentally changed.

The AIIB has rewritten the way for transformation of the international system. First, the metamorphosis from chrysalis to butterfly. The China-led AIIB is a new force born from the premise of maintaining and respecting the established international order. As mentioned above, the international system of 300 years has been dominated by the jungle rule that “might is right”. China’s rise, and the way it works, are entirely different from what is common practice familiar to the Westerners. Although it is the product of American pressure, it is also an outcome as a result of ripe conditions, so the AIIB can also be seen as a welcome fruit of the “peaceful rise” strategy.

Second, the first Asian-led transformation of the international system. Since modern times, Japan has tried to participate in and even dominate the international order, and started the war, which ended in defeat. The Asian Development Bank is not so much Japanese as American. Asians have never played a leading role in the building of the international system. The situation has changed and the theory of international relations should be revised. The popular theory of international relations is almost tailor-made according to the history of Western international relations, and it is a discourse system of Western centralism. This time, the smaller members of the Group of Seven nations are among the founding members of the AIIB. This rewriting of history will certainly rewrite the theory of international relations too.

Third, go beyond ideology. Since the Vienna system, Western dominance has fostered cultural prejudice and discrimination against the rest of the world, and the Cold War was a classic ideological war, institutionalizing cultural prejudice that had been built up over the past 100 years. To this end, the World Bank, IMF and even the Asian Development Bank, whose aid has ideological provisions, have changed the political system of many developing countries, but not for the better. Unlike ideological rules, the AIIB invests according to the principle of development needs and is guided by the concept of a “community of destiny”. The Chinese see it as a complement to established international institutions, while the Americans see it as a threat to their conceptualized rules.

Fourth, the gradual change of the situation. How will the Chinese-dominated international institutions change? Unlike the sudden change caused by the collapse

of the past order, the change will evolve under the established international order and the impact of the AIIB on the international order is bound to be gradual. In other words, observers will have to be patient enough to see how the new order, symbolized by the AIIB, become “new”.

The Chinese have been contributing to the world in their own way. From the Five Principles of “Peaceful Coexistence” in the Mao Zedong era, to the theme of “Peace and Development” established by Deng Xiaoping during the reform and opening-up era, to Xi Jinping’s strategic thinking of a “community of destiny” embodied in the AIIB today, the connotation is consistent, namely peaceful coexistence, harmonious coexistence, and world peace. This unchanging pursuit is supported by a genetic community of Chinese civilization, and the overview under heaven, harmony to be valued, seeking common ground while reserving differences, and people oriented are undoubtedly an important part of the Chinese civilization. It can be said that the AIIB is actually a reflection of the overview under heaven and “people first” in another field of extension. It may be hard for Westerners to understand that getting used to the rules of Chinese civilization requires international institutions such as the AIIB to function in a long-term, orderly and effective manner.

Even if China only does a good job in domestic politics, it is of world political significance, that is, it enriches the world political civilization and updates the development theory. For this reason, more and more developing countries are learning from China’s experience in development, and even proud India is “taking China as a yardstick”.

Chapter 13

Evolution of the World Political Structure and Research on the Paradigm Shift of the World Politics



The political history of the world over the past 300 years is the “international system” shaped by capitalism (imperialism and colonialism) and Westerners, though there was no lack of political opposition resulting from the opposing political forces, namely, the socialist movement and the right to self-determination of peoples. In this regard, the object of academic research is naturally the most basic constitutive element.

The focus on “process structure” will inevitably lead to more research topics. In fact, even under the established basic structure, the theme of world politics has been evolving, which is determined by the epochal nature of world politics. There are different themes in different times, which scholars must understand clearly, otherwise it is meaningless in a way like Guan Yu (The translator’s note: a general in the Three Kingdom period) fighting Qin Shubao (The translator’s note: a general in Tang Dynasty). So, what has happened to the theme of world politics over the past 300 years?

(1) Political revolution (eighteenth to mid-nineteenth century). The eighteenth century was the “revolutionary age” of capitalism. Capitalism is the most important factor of modern politics, and the coming of capitalism is accomplished through “revolution”. The American revolution of this era, and especially the French Revolution, bid farewell to the “old system”. The capitalist revolution also gave birth to a new type of revolution, that is, the social revolution in pursuit of the right of equality. The revolutionary watershed was the birth of the February Revolution in 1848 and the Communist Movement. The paradigm for studying revolution is “regime theory”, that is, revolution for what kind of regime to be established, and the reasons for regime change.

(2) Expansion and war (nineteenth to first half of twentieth century). While the West was capitalizing at home, it was also expanding capital globally, and was carrying on wars among the “suzerains”, and global capitalism (imperialism and colonialism) was completed within the nineteenth century. This process is accompanied by the “white superiority theory”, which is based on the theory of social Darwinism. Imperialism and white supremacy are the research paradigms.

(3) Liberation and nationhood (first half of the twentieth century). The expansion of imperialism and colonialism constantly led to wars among the white peoples in the West, and the break of the chain of domination caused by the wars of white peoples triggered the Socialist Movement and the movement of the right to self-determination of peoples, that is, the climax of the founding of the socialist states and the National Democratic Liberation Movement in the middle of the twentieth century.

Strictly speaking, there was no social science until after World War II. Under this background, the social science possessed the political nature as soon as it was born, namely “the Cold War studies”. Modernization Theory was declared a failure by Huntington’s concept of “political decline”, that is, the non-Western countries not only failed to realize Western-style modernization, but fell into political decay instead. We believe that the objective alternative research paradigm should be the theory of state-building, which includes the three-dimensional relationship among political power, capital power and social rights. The relationship among capital power, political power and social rights is very complicated, and there are not only the economic rights and social rights mentioned above, but also the political rights to ensure the basic security of citizens, whose “timeliness” determines the success or failure of a country’s construction (Zeng Yi, 2013, 2014).

(4) The international system (during the Cold War). In order to maintain the post-World War II pattern, that is, the capitalist economy and the Western white man-dominated world political structure, various “international institutions” emerged, this has led to the development of the so-called new paradigms in international relations theory: structural realism, liberal institutionalism, and constructivism. However, when “the Chinese come”, the value of these paradigms should be reflected, the Chinese should not stop at these so-called “scientific paradigm”. One possible hypothesis is that the “procedural structure” of the new international order (international system), which is dominated by Chinese or formed via co-operated game, is very different from the “procedural structure” of the past 300 years. This is the starting point for the Chinese to construct the “China school” theory of international relations.

(5) Institutional competition (Cold War era). During the Cold War, world politics was, in the final analysis, a war between capitalism and socialism. As a result, the West “won the war without gunpowder”. Following this theme, the paradigm of Western social science (not only political science) is “transformation studies”—how non-Western countries can be transformed into liberal democracies. But the transformation of Arab Spring into “Arab Winter” and the failure of liberal democracy in many non-Western countries, such as the resulting Ukrainian-style state break-up and long-term instability and ineffective governance in many countries, have forced mainstream American scholars to declare “the end of the paradigm shift”.

(6) The battle for governance (twenty-first century). The West has won the system competition, but the non-Western countries that have gone to the Western system have not gone to good governance because of this. The West is in trouble with governance, with the emergence of “veto regime”, in contrast to China’s governance stands out alone. In comparison, among many topics, China is most likely to provide a research paradigm for governance: first, because there is no unified theory of governance;

second, because the Chinese tradition of governance is well developed in history and culture, with a rich source of governance thought. I believe that the core of governance theory is the issue of state governance capacity, so China's proposal of "modernization of state governance system and governance capacity" has grasped the key to the issue, and a general theory of state governance capacity can be constructed on the basis of China's governance experience, which includes at least the institutional absorptive power of state-society relations, with regard to the capacity for institutional integration between state power relations and for policy implementation as a political product. It is also possible to make a comparative study of the capacity for governance in different countries (National Academy of Development and Strategy, RUC, 2015).

According to Chinese governance thought, economic strategy advocates state-led development, which "is at odds with Anglo-American liberal capitalism; the cultural "overview under heaven" is at odds with "white superiority" of 300 years; the developmental state under the overview under heaven has shaped the governance oriented to win-win cooperation, and finally reached a new international order and system such as "community of human destiny".

Part III

China in the World Political System: “One Hundred Years of Crises” (1840–1949)

Conceiving a world political system formed by the evolution of the world political structure will greatly help us to understand the Chinese politics and many trends of political thought under this structure. The key words for understanding the world political system are “white-dominated” (or “West-dominated”) and capitalism. Under the impact of these two “procedural structures”, the Manchu Qing government was beset with trouble internally and externally, and the Chinese empire was sunsetted. This is the first national failure of China in the centennial crisis. The “Republic of China” constructed after the Revolution of 1911 could be described as “following the tide”, that is, attempting to liberate the Chinese people according to the established scheme of the world political system (Western-style Democratic Republic), but only to result in “state failure” again and again, and people lived in fire and water. First, the efforts of Sun Yat-sen’s provisional government, followed by the frequent changes of the head of Beiyang government, and then the nature of the National Government in Nanjing of the Republic of China established by the revolution of the Northern Expedition determined that it could not effectively solve the crisis of state structure and the crisis of people’s livelihood, which eventually led to the avalanche collapse of the Kuomintang regime. What is the situation of the Chinese people living in the crisis of the century? The failure of the state meant the collapse of society, the loss of morality and the Chinese were in what Sun Yat-sen called “a state of disunity” and at the mercy of others. So, the starting point for understanding the People’s Democracy is the middle of the nineteenth century when China was already a part of the world political system. China needs to be organized, otherwise its people are atomized individuals. The People’s Democratic road is the result of the Chinese people’s exploration and struggle for a century. The Communist Party of China (CPC) is a new political group with a special mission coming out of the “overall crisis” structure which has lasted for a century.

From the middle of the nineteenth century to the first 20 years of the twentieth century, it was the peak period of the development of imperialism and colonialism, and thus the most popular period of “white superiority”; although China avoided the situation of being divided up and colonized completely, the Chinese people’s sense of superiority of “Chinese civilization” had disappeared. After losing to the British

and forming an "alliance under the wall" ("Treaty of Nanjing"), (China) signed a treaty of indemnity as a loser even after defeating France in the Sino-French war of the 1880s. Finding an excuse for losing to the West could be accepted and the principle of "Chinese learning as the essence, Western learning for use" could still be adhered to, but the loss of the First Sino-Japanese War to Japan, who had worshiped China for one thousand years, shattered Chinese self-confidence. When people saw the incompetence of the rulers, there emerged the famous "Boxer Rebellion", whose patriotic nature could not be questioned in the slightest, although there were acts of blind xenophobia, which were exploited by Empress Dowager Cixi. How dare the Chinese resist? The morbid German Emperor William II gave the so-called "Huns Speech" to the soldiers who went to China to suppress the boxer rebellion as the following:

No pardons, no prisoners. Let him fall by your sword if he falls into your hands! Just as the Huns.....gave themselves a great name a thousand years ago, which the world still admires, and you have to create something like this for the German name. Such a feat will be remembered in China 1,000 years from now, so that no Chink... would ever look the Germans in the eye again. (Wesseling, 2012, p. 119)

When Westerners opened the door to China with their ships and guns, Li Hongzhang said that China had encountered a "a great change in three thousand years", which was indeed a far-sighted observation.

In short, under the impact of the world political system, which is based on capitalism and white supremacy, China has slipped from the "center" of the system of land under heaven to what Immanuel Wallerstein calls the semi-marginal areas and even the marginal areas, domestic political order collapsed, and the "strong society" with warlords as the main body replaced and even dominated the nominal "sovereign government" ("weak state"). In this world political structure and domestic political structure, people at the bottom were bound to live in dire straits.

Chapter 14

The Qing Empire in the World Political System: The First Failure of the State



The reason for bringing the historical divide forward to the Ming Dynasty rather than to the eighteenth century or 1800 is that 1500 was the watershed of world history.¹ The rise of the West after the sixteenth century coincided with the decline of the Chinese Empire, the Ottoman Empire, and the House of Habsburg. Before 1500, we were really powerful, and many technologies were ahead of the world. This is the value of comparative research. But why was the powerful empire no longer powerful, and why did the West and even Japan catch up from behind? As the German economist von Honig put it 300 years ago: “A country’s current prosperity does not depend on its own strength and wealth, but mainly on the strength and wealth of its neighbors” (Kennedy, 1988). As we know, when the “Golden Age” had just passed, the Qing government began to cede land and paid reparations, a complete disgrace to the country. A century-long “Golden Era of Kang-Qian” in the Qing Dynasty was just a landscape in the closed system: as soon as communication with the rest of the world happened, she showed off the true quality of being strong on the outside but weak on the inside.

Qing inherited the Ming institution. As a ruler from “yi di” (barbarians) the Manchu not only inherited the legacy of the Ming Dynasty in political system, but also in ideology, culture and economic relations. Therefore, when people explore the decline of the Qing Empire, they cannot help but associate it with the Ming Dynasty. Because, when the Ming Dynasty fell, the new system of the West was on the rise,

¹ The reason for bringing the historical divide forward to the Ming Dynasty rather than to the eighteenth century or 1800 is that 1500 was the watershed of world history (China’s Qing Historian, Dai Yi, sees the eighteenth century as the watershed of China’s rise and fall, while America’s John King Fairbank sees the 1800s as the watershed of Chinese history. See also Dai Yi, 18 世纪的中国与世界 (China and the World in the 18th Century) (Introduction), Liaohai Publishing House, 1999; Fairbank, John King and Albert Feuerwerker, ed. 1994, 剑桥中华民国史 (1912–1949)》(下卷), (Chinese version of a work of *The Cambridge History of China*, vol. 12: Republican China, 1912–1949, part 1), translated by Liu Jingkun and others, China Social Sciences Press, 1994, p. 7.).

and the Qing Dynasty that replaced it was still the old system from a thousand years ago. Thus, taking the perspective of the Ming Dynasty is perhaps more conducive to our understanding of the fragility of the old system and the inevitability of its decline.

14.1 The Institutional Structure of Despotism

(1) The nature of despotism

The first Emperor of the Qin had unified China, ending the real enfeoffment system, and China became a despotic empire from then on. The Han Dynasty inherited and followed the Qin System and did not change it; as well, all the successive dynasties did the same. Among them, some dynasties, such as the Tang Dynasty and the Yuan Dynasty, although they had more powerful prime ministers, and sometimes even the power of the prime minister could restrict the royal power, they were just enlightened despotists under the rule of men, because, like the Han Dynasty, the power of the prime minister was given by the emperor, and the emperor could appoint and dismiss them. Simply put, the power of the prime minister in the Han and Tang dynasties could not have fundamentally changed the nature of despotism. Not only that, by the time of the Ming and Qing dynasties, the supreme rulers had abolished the system of prime ministership altogether, thus bringing despotism to the point where it could not get any worse.

What is the relationship between politics and socio-economic development in the despotism? The first aristocratic landlords of virtually every dynasty were determined by war and political power. The paradox of national purpose tells us that rulers are contradictory, that is, the contradiction between the maximization of their own interests and the maximization of social output. In order to perpetuate their political rule, the rulers sometimes favor the people. However, in the traditional system where there is no substitute, the nature of despotism makes it impossible for the ruler and his clique not to maximize their own interests and ultimately minimize the interests of the people. Hence, we can see why rulers sometimes levied light taxes or even no taxes, but more often they plundered like mad.

The fragility of despotism politics determines the necessity of the policy of “attaching importance to agriculture and suppressing commerce”. The doctrine of “attaching importance to agriculture and suppressing commerce” was passed on from generation to generation through the biological chain of “politics-land-literary-bureaucrat”, which made politics dominate the economy and society, and the economy is difficult to flourish in the established biological chain and fundamentally change the shape of the constant. This is the nature of despotism, the basic historical clue and the political and economic relations before the late Qing Dynasty.

(2) The undesirable politics under the unprecedented despotism

“Family ruling” is probably the basic political system of the traditional pre-capitalist society. According to Max Weber, whether it is the feudal system in Europe

or the despotism in the East, the traditional form of society is the enlargement of the family property, a kind of family property system (Bendix, 2002). However, the degree of “family ruling” is quite different. In Europe, there were relatively independent financial power, military power and currency power of feudal princes while in the Han and Tang dynasties, the restraint to the imperial power was at best the changeable power of the prime minister. Even with such a limited constraint, by the time of the Ming and Qing dynasties, the 1500-year-old system of prime ministership had been completely abandoned, and the rulers had brought the “family ruling” to its extreme.

As in the case of new dynasties established by successive rulers, not only are the basic political and economic structures designed to maximize the interests of the ruling clique, but in order to ensure the perpetuation of the political institutions that maximize such interests, the founding Emperor Hongwu, Zhu Yuanzhang, made a major change in the political system, concentrating local power in the central government and the central power in the emperor himself, establishing a centralized political system. In order to strengthen the monarchy, he abolished the system of prime ministership and made the autocratic rule more powerful than ever, with all levels of power, from the local to the central, reporting directly to the Emperor. For that, Mr. Wu Han commented, “this high degree of centralization of power in the hands of the individual emperor had not been seen before the Ming Dynasty” (Wu Han, 1980).

It is such a centralized autocratic system that was highly favored by the “*yi di*”, that is, the Manchu rulers. It should be said that to some extent, the rulers of the Qing Dynasty had less sense of security than Zhu Yuanzhang because of their population was only 0.2% of Han people. In this situation, in order to acclimatize the Han people by persuasion without allowing them to enjoy greater influence, it was natural that the ruler did not set up a prime minister system to restrict the monarchy. The Qing Dynasty inherited the Ming Dynasty, and the early Qing still practiced the Grand Secretariat system with uncertain status, but in the 1820s and 1830s, Kangxi Emperor established the system of Memorialization, which put the Department of Military Plan on the political stage and was perfected by the Yongzheng Emperor. Since then, the position of the Department of Military Plan as the Central Organ of the state has remained unchanged. The reason why Emperor Yongzheng and Emperor Qianlong achieved extreme autocratic politics is that they had comprehensively transformed and criticized all the institutions, systems and even corresponding political culture that hinder the monarchy in the traditional politics of the Han nationality and their own nationality with the Department of Military Plan department as the center. In this way, the emperor directly controlled the state machine that was centered on the Department of Military Plan, marking that the monarch autocracy had reached its peak, and ancient Chinese politics begun a new era of extreme autocracy from the eighteenth century.

The unprecedented centralization of power during the Ming and Qing Dynasties was the completion of the privatization of power to the greatest extent. The foundation of the privatization of power is the bureaucratic group and the landlord class, who together with the emperor constituted the ruling class. It should be said that

their fundamental interests are the same. However, in political behavior, they are individual political actors, and each actor would maximize his own interests. From the perspective of the overall interests of the ruling class, this behavior choice is irrational; However, in terms of personal interests, their behavior is rational. This conflict between rationality and irrationality eventually led to the collective destruction of the ruling class.

14.2 The Parodynia of Capitalism

Under the despotism system, economy is nothing more than an appendage or even a slave of politics. The large-scale construction of the Wanli Emperor and Zheng He's "voyages to the West" meant that China was more powerful than ever, while the 1750 during the "Golden Age of Kangq-Qian" saw China's gross domestic product surprisingly accounting for a third of the world's GDP. However, it is precisely this kind of strong and prosperous times that compels us to ask: why couldn't this era of power and prosperity last? Why not regenerate? Why did it self destruct? Why so vulnerable? It is interesting to note that in the Ming and Qing dynasties, there were typical cases for us to ponder: when the West began to rise, why did the so-called "capitalist sprout" in the Ming and Qing dynasties just "sprouted" and did not "germinate"? Why is capitalism hard to be produced in China? The contemporaneous rise and fall of capitalism constituted a turning point in world history—the rise of the West and the decline of the Oriental Empire; meanwhile, the fate of capitalism in China is not only a historic turning point, but also the most representative reflection of the relationship between politics and economy, government and market. Through the comparison of institutional changes, we will see how China missed the first historical opportunity and began to lag behind the world.

(1) The institutional basis for leading and lagging

Until the middle of the Ming Dynasty, China was a world leader in terms of many technologies, and its economic prosperity was the envy of Marco Polo. Although by 1750 China's GDP was still a third of that of the world, its lead shrunk markedly until it stagnated and lagged behind the West, and even the latecomer Japan. Why is that? This great change between East and West forces us to compare the institutional environment of China with that of the West. We will see the magic of the system revealed for the first time: while China's Ming Dynasty practiced unprecedented despotism politics, the West developed a capitalist parliamentary system that restricted royal power; by 1700, it was already the difference between the "new system" and the "old system," the new capitalist system, and the unprecedented autocracy and dictatorship of the Qing Dynasty and the Ming Dynasty; and this kind of autocracy is the oldest kind of dictatorship of "family property system".

As we know, by 1500, the darkest era of the West had passed and a new system had begun. In fact, the political tradition and the prototype of the political system of Britain today were established in the thirteenth century. During the 100 years

of the thirteenth century, the two important foundations of British constitutional history—both Magna Carta and parliament came into being, the combination of which established the principles of “the king under the law” and “no taxation without representation”. In other words, the king’s conduct must be governed by Magna Carta, and no tax can be levied without the consent of the representatives of parliament, nor can the king abuse the power of the Treasury and the conscription. For that, some scholars give such a wonderful comment in line with history: “without Magna Carta and the origins of parliament, which are of particular significance in the history of British constitutionalism, Britain would not have been what it was and would not have become so prominent in the world. The significance of these two events lies in the fact that they are regarded by those behind them as the origin of civil liberty, which, as a principle, is one of the most cherished principles of the modern world. Britain’s freedoms are rooted in deep traditions that no other country has. The reason why Britain became the pioneer of the modern world can be seen in its tradition” (Qian & Xu, 2002).

Meanwhile, the renaissance, which originated in Italy in the fourteenth century, spread across Europe in the following centuries. It was the first bourgeois ideological liberation movement in European history. With the renaissance, the French “Sun King” Louis XIII of France, despite the establishment of a highly centralized system of absolute monarchy, still could not contain the arrival of the true “era of the giants,” that is, the French enlightenment, and the absolute monarchy system soon declined. In the fifteenth and sixteenth centuries, in Germany and other European countries, there was a Protestant Reformation movement, represented by Martin Luther, against the Roman Catholic Church as the power center of feudalism. This was the general picture of Europe at that time, the institutional setting for the rise of the West.

Compared with the new system in Europe, China began to go downhill, the level of technology went backward from the leading position. This raises a set of contradictory questions known as “Needham’s Grand Question”: first, why did China “maintained a level of scientific knowledge beyond the reach of the West between the third and thirteenth centuries AD”? Second, “modern science was born in Europe after the sixteenth century, and it had proved to be one of the basic factors in shaping the modern world order. But Chinese culture was unable to produce a similar modern science in Asia. What were the obstacles”?

I believe that the reasons for the emergence of “Needham’s Grand Question” are very complex; there are cultural and ethnic reasons. But what was the reason for its emergence in the sixteenth century? Simply put, I am afraid it has to do with the strength of the authoritarian structure of the system. We know that in the Song Dynasty around 1000 years ago, China was the world leader in economy, science and technology, which gave rise to gunpowder and movable type printing of the Four Great Inventions. This may have to do with the existence of what Joseph Needham called a “plebeian” and “autonomous” society at the time; but, after the Ming Dynasty, China’s old system was even more archaic. With unprecedented political and ideological constraints, there can be no significant institutional or technological innovation, and historically, differences in the degree of despotism have led directly to different technological achievements.

In short, in the sixteenth century, it was the differences in institutional structure that led to the rise of the West and the decline of the Eastern empire.

(2) Institutional factors for the sprouting of capitalism but without germinating in the Qing and Ming Dynasties

We know this historical common knowledge that, in the late Ming Dynasty, the embryonic capitalist economy emerged. According to the general theory of social evolution, this new economic factor would gradually grow and gain strength, eventually forming a powerful bourgeoisie based on the capitalist economy, which would finally result in the bourgeois revolution and push China into a capitalist society. However, history did not go along such a line, and the final fate of capitalism sprouting in late Ming and early Qing Dynasty was stillborn. This requires us to re-learn history and re-examine the traditional theory of understanding history.

The germ of capitalism embodies a new form of productivity and organization; however, it was ultimately determined by the political nature of despotism that it could not break out of the old political and social relations and eventually evolve into the relations of production of capitalism. If it is said that for thousands of years it had been “emphasizing agriculture and suppressing commerce” and “strengthening the foundation and suppressing the end”, the Qing rulers’ understanding of merchants and commerce changed markedly. The most representative understanding is the emergence of the thought of “both industry and commerce are essential, and all the people are needed”, opposing the traditional policy of “restraining commerce” and advocating the policy of “trade”. But these could not change the history that political power dominated everything.

The reason why the germination of capitalism in the middle and later period of the Ming Dynasty had great limitations can be found in many ways, but one of the most noteworthy is that the feudal rulers had destroyed the industry and commerce, no matter the price-fixing policy set by the state, or the regulation of the bureaucracy and other forms of insatiable exploitation of industry and commerce, all were in fact the brutal interference and obstruction of social and economic development by the autocratic power. In a society where absolute power dominates everything, depending on the natural development of the productive forces, it is difficult to form a new form of economic organization and evolve into a new form of society. In a system where power dominates society and economy, there can be no valid property rights.

Moreover, the ruler had never been a single emperor; there were also senior and junior officials and imperial relatives under the Emperor. When the emperors exploited their monopoly to maximize their rent profits, the rulers at all levels also took advantage of the state power to blackmail and plunder industry and commerce. The first case is to rely on power, or capture rich businessmen, or “partner in”, sit back and enjoy the spoils. A large number of such cases existed, from the province, tao, fu, county, ti, town officials, all the men of honor, down to petty officials, had the right to blackmail “factory people”; and often they could satisfactorily get shares and dividends. In the second case, there were many examples in the Qian Long period where the power of examination and approval of the government and other

supervisory powers were used to set up checkpoints at all levels, corrupting and bribing, extorting money, and dividing wealth between the upper and lower levels.

In fact, the emergence of capitalism cannot be developed without the help of state power. The embryonic period of capitalism in western Europe was the time for the formation of the centralization of power, and the monarchy representing the centralization of power needed the support of the new bourgeoisie in order to completely defeat the feudal lords against the centralization of power. The new bourgeoisie also needed to rely on the protection of royal power in order to seek their own development. So, the monarchy was combined with the bourgeoisie, and the budding capitalism in the protection of the royal power finally achieved rapid development. The situation in China, however, is very different. China's despotism was formed in the early days of feudal society. It did not need to enlist the help of the bourgeoisie, which did not emerge until the later stages of feudal society. On the contrary, for its own benefit, it carried out a frenzied plundering of the industrialists and businessmen, including the newly-born bourgeoisie. This is the reason why capitalism spouted in the feudal society of China, but never matured, and the basic reason why capitalism spouted in the middle and later period of the Ming Dynasty could not evolve into capitalist economy. It is because of the domination of political power that the capitalist economy in Ming and Qing dynasties could not develop. The autocratic monarchs not only did not protect the effective property rights, but also destroyed the effective property rights for their own maximum interests. A lot of research has proved that the effectiveness of the property right is the key factor of determining a country's rise and fall. The decline of the Ming and Qing Dynasties proves this basic assumption and provides the basic historical experience for this theory.

14.3 The Failure of the Self-Improvement Movement

If China was too powerful and complacent in the past to unconsciously miss the first historic opportunity and fall behind the West, the loss of dignity as a result of being backward and beaten, as well as internal social turmoil, forced the Qing government to be introspective and seek self-improvement. History has also given China such an opportunity; from the 1860s, the late Qing government launched the self-improvement movement as the symbol of the first modernization movement. It should be said that it was not too late for China to start its modernization, basically at the same starting point as some major countries such as Germany, Russia and Japan. As well, China's pre-modern conditions, such as the number of market centers and large cities, were far better than Japan's (Rozman, 2003: 140). At that time, China was in a relatively favorable international environment: The major Western countries were in the midst of a wave of Second Industrial Revolution, concentrating mainly on domestic matters of industrialization and unable to plunder the outside world; and, the British government was trying to support Tongzhi Restoration, although it was aborted because of the "Tianjin religious case".

Some of the initial conditions of China's pre-modernization, such as the literacy rate, the market centers, the number of large cities and the bureaucracy, were at the leading level of the pre-modernization countries, but the decisive starting conditions for China's modernization process were far worse than those of other countries. As a reaction to external pressure, the modernization of all late developing countries is dominated by the state. But China's self-strengthening movement was not an inevitable requirement for the natural development of the productive forces within the country; it is a response to external shocks, or pressure from the outside to make China stronger and reform itself. In the process of coping with pressure and self-improvement, it is impossible to rely on the spontaneity of social forces, because the interests of social forces are always diversified, and it is difficult to form a strong consensus to deal with strong pressure. It is impossible to rely on the accumulation of productive forces, which "inevitably" lead to the formation of new mode of production. The development of productive forces in China over thousands of years could not lead to a change of nature in the relations of production, let alone the creation of a new economic system under a crisis? The history of China, the histories of many countries in Eurasia, and the histories of the Americas have shown that using only simplified concepts of productivity, relations of production, mode of production, etc. is difficult to understand the complex patterns of human social life and the different paths of development. Since the consciousness of social forces and the spontaneity of productivity development cannot effectively deal with external pressures, the only force that can be relied upon is the state, whether you like it or not, the "necessary evil" of the state.

(1) The central-local relationship of the political system

By the 1860s, after the defeat of the Opium War and the attack of the Taiping Heavenly Kingdom, the legitimacy of the Qing government had been shaken so much that it was no longer able to exercise state power effectively, and the Han dominated local power began to flourish. As the younger generation of Eight Banners were repeatedly defeated in the battle against the Taiping Rebellion, they had to rely on the Xiang Army, represented by Confucian scholars such as Zeng Guofan, Hu Linyi and Zuo Zongtang, to fight against the Taiping Heavenly Kingdom. When the Taiping Rebellion was defeated, the Qing government had to appoint a large number of Han bureaucrats. Before the reign of Xianfeng and Tongzhi, governors were mostly Manchu Bureaucrats; from then on, governorship was controlled by the Han people. The rise of the Han bureaucracy and the aggravation of local power weakened the centralization of power of the Qing Dynasty, of which the most direct influence was the emergence of the Westernization group and the rise of the Self-Strengthening Movement.

It seems safe to conclude that China's modernization, unlike that of other modernizations of the same period, was largely due to a different political direction: at a time when Germany, Japan and Russia were strengthening the centralization of power and using it to organize and mobilize modernization, China was witnessing a militarization of its own regionalism that weakened the centralization of power. As local forces could not effectively play the role of communication between the top and the bottom,

coupled with the imbalance between the central and the grass-roots society caused by the fact that for a long time there had been only the concept of “family” and not “state” in China’s grass-roots society, most of the modernizing changes of the mid to late nineteenth century suffered a disaster as a result.

The results of different political trends in China and Japan were reflected prominently in their fiscal systems and sources. The Meiji Government was able to transform the various taxes routinely or arbitrarily collected by the Shogun and vassal regimes into a unified currency tax under the direct control of the new central government, reform the land tax with the tax rate at 20–300% of the annual grain price, thus providing the Meiji Restoration with a relatively stable revenue. Thus, between 1868 and 1881, the Meiji Administration converted more than 34 million yen of agricultural tax revenue into industrial investment, a small amount, but equivalent to one third of the total military expenditure and 13% of the government expenditure. The Meiji Government also donated a large sum of money to build transportation and credit institutions, which was the basis of the development of Japanese industry and Commerce (Feuerwerker, 2002: 50, 55).

The financial difficulties were due to the decline of the financial system, but the Qing government used to enjoy more financial revenue for promoting industrialization. In the process of suppressing the Taiping Rebellion, local forces opened up and directly controlled new tax sources, such as the commercial Tax Likin, which prevailed all over the country. Only the traditional land taxes and miscellaneous taxes were still in the hands of the civil affairs officials representing the Household Department. During the Taiping Rebellion, Likin accounted for a third of the total military spending (Wright, 2002: 206). After the Taiping Rebellion, due to the large size of the local government, the provincial contributions to the central government revenue accounted for 1/5 of the total revenue of the provinces, so most of the revenue was reserved by the provinces. According to the statistics of the Qing government, the revenue around 1890 was about 100 million taels. But according to Luo Yudong and Ma Shi, the actual revenue during this period was between 200 and 300 million taels, at least twice the amount reported locally (Feuerwerker, 2002: 52–54).

It can be seen that the Taiping Heavenly Kingdom movement was not only the turning point of the Qing government’s politics, but also the turning point of its financial system; The decline of the financial system accelerated the political decline directly, and the decayed politics certainly could not guarantee the success of modernization. While Japan unified tax rates and taxes, China’s fiscal system was in decline. It was the political situation that determined the difference of the financial systems.

(2) The relationship between government and enterprise in the political system

In the movement of self-improvement, both the property rights of “government-run” and “government-supervised business-run” were inherently inefficient. However, as the existence of the “official-run” government-owned corporations were inevitable, because the private could not have so much money and the enterprises that made the country rich and strong could only be run by the state, “business operation supervised by the government” at that time was a good way to accumulate social wealth. So, there is no need to discuss the efficiency of the organization of property

rights itself as a fundamental institution. But what was the relationship between the government and the enterprises as the institutional arrangement? John King Fairbank and others pointed out: “whether in the late empire or the Republic period, once businessmen contacted the government, they would be extorted” (Fairbank & Feuerwerker, 1994b: 23). This may be used to evaluate the general relationship between government and business in the Self-Strengthening Movement. Specifically, the influence of non-economic factors and politics on the business operation was mainly manifested in official rank standard in the style of “red-cap businessman”, the dominant position of official stocks and the direct blackmail of the official to the business.

In general, government policies were not conducive to long term productive investment; there were no laws protecting property rights, and businessmen prefer to spread out their assets rather than expand reproduction. After the First Sino-Japanese War, the government set up the so-called Ministry of Agriculture, Industry and Commerce, imitating the Japanese Meiji Restoration; but the result was that the “Ministry of Commerce” became an “ill ministry of commerce,” and official malpractices continued to discourage businessmen from starting businesses, making “general businessmen hesitate to move forward”. From time to time, people pointed out: “bad politics greatly affect business companies”, “Chinese companies... are difficult to develop without political reform” (Li Yu, 2002: 269), which fully revealed that the political system seriously stifled economic development.

Promote Business for self-improvement. But the reality was that on the one hand, the state and the government were trying to use technology and enterprises to enrich the country and strengthen the army, while on the other hand, the enterprises for enriching the country and strengthen the army were unable to escape the control and extortion of power, which contrasted sharply with the relationship between government and business in other countries during the same period. It can be said that whether it was an effective property rights organization or an invalid property rights organization, as long as in the face of Chinese-style power control, the result will be invalid. In a system where power ruled everything, China’s first modernization was doomed to failure.

(3) Organizational construction of the political system

In the process of China’s first modernization, there were not only unhealthy political premises, but also in the modernization process the organization pattern kept the modernization to be fettered heavily. As we know, the “Tongzhi Restoration” at the beginning of the self-improvement movement was an unprecedented cause, involving the development of transport, communications, foreign trade and weapons industry, as well as other related programs for enriching the country and strengthening the army. Incredibly, in this modernization movement, the Self-Strengthening Movement that began in the 1860s, the Qing government only set up a new government agency, which was the premier’s office specializing in foreign relations, yet there was no new mechanism to manage the emerging industrial movement, much less a new fiscal and financial system to ensure its success.

As noted earlier, in terms of the fiscal system, by the period of Taiping Heavenly Kingdom, the government had lost its traditional central control. After the Taiping Heavenly Kingdom, the Tongzhi Restoration once temporarily blocked the country's fiscal localism. But the concern of Tongzhi Restoration was to restore and repair the old Qing Dynasty system, not to create a financial structure that would promote industrialization, and they never intended to reform it.

The financial system is as backward as the fiscal and taxation systems. At that time, the Shanxi Money House was the agent of the government treasury. Although it was well developed at that time and is well lauded today, its exchange system still could not meet the basic military expenses, and large quantities of silver bullion had to be transported to the battlefield. There were no general organizations or money exchange agencies, and the different money houses help each other out on the basis of personal trust. In addition, the entire system lacked strict supervision and could only rely on the trust of individuals rather than on the system, which could be compromised if people were unreliable. As far as government officials are concerned, it never occurred to them to develop long-term credit operations or to use credit to expand reproduction. The modern banking system was introduced into China through the Hong Kong and Shanghai banking groups, but its activities were mainly confined to treaty ports, with little impact on the entire Chinese economy, and the loans or guarantees of the money houses were used only for military spending, government spending and officials' own needs, instead of expanding reproduction.

In addition to industrial and legal systems, the fundamental guarantee of success in modernization is talent, but without social organizations such as modern schools, there would be no talent to meet modernization. Another big difference in institutional development between China and Germany, Russia and Japan in the same period was that the other three countries had all vigorously set up schools. In the early Meiji Period, the Japanese government hired foreign teachers, sent students overseas and entrusted them with important tasks, while in China, science and technology education was considered incompatible with Confucianism, national ideology and individuals' future. As a result, the first students of the Beijing Tongwen Hall, the representative of Western learning, were ridiculed and ostracized for being seen as subservient to foreigners. Most of the gentry scoffed at such education, and the general public did not even know its existence. During the 30 years after the Opium War, there were only three translation schools, a considerable number of naval and army schools, a mining school and a telegraph school, which were established for the purpose of "ruling the barbarians by barbarians". Until the defeat by Japan in 1894, the number of international students began to scale up, and modern education was valued.

It is the difference between China and other countries in the institutional structure and a series of system arrangements that made China's self-improvement movement difficult; as a result, China's first modernization movement was interrupted or failed in the Sino-Japanese war in 1894. In John King Fairbank's view, China's modernization was "a game played by a few high-ranking officials. Recognizing the need for modernization, they were also trying to raise funds, recruit talents and plan in an environment that cannot be described as unfriendly but unenthusiastic. Hankering after

personal wealth and power led them forward, and the imperial court of the Empress Dowager Cixi, unlike Japan's Emperor Meiji, did not give them solid support. On the contrary, Empress Dowager Cixi thought it would be more balanced for her to let the ideological conservatives keep the reformers in check" (Fairbank, 2003). Yes, conservatives opposed it because of their loyalty to the Qing court, and the Westernizers innovated on the basis of personal loyalty to Empress Dowager Cixi, while Empress Dowager Cixi, both quick-witted and benighted, was rooted in the control of power. "Therefore, the Qing court was not a strong leader of modernization, but a careful and prudent one in strengthening its power control in the face of China's poverty and weakness" (Fairbank, 2003: 139–140).

14.4 Old System and New System: Competitiveness of the System

The dystocia of capitalism and the failure of the Self Strengthening Movement left China in the old state of the despotism. By contrast, the West had completed the political revolution of capitalism and thus successfully completed the first Industrial Revolution, and their second Industrial Revolution was underway. Marx and Engels once commented on bourgeois politics as follows: "The bourgeoisie has created more and bigger productive forces in its less than one hundred years of class rule than in all previous generations" (Marx & Engels, 1995: 227). Compared with the first group of modernized countries, the backwardness of the latecomers is mainly caused by the backward system. As a result, when the laggards are buffeted and hit by the forces of other countries, the forces that organize and dominate modernization are the ones that have no choice but to confront the front runners. The State is not abstract, but an overall system which is composed of the system arrangement of the ruler and the ruled, the government and the enterprise, and the law and the culture. It is found via comparison that the different forms and arrangements of the system determined the different outcomes of the second modernization process.

(1) The successful ways of modernization of Germany and Japan

Germany was united by war. After the Prussia-Danish war of 1864, the Prussia-Austria war of 1866 and the Franco-Prussian war of 1871, Germany finally became a united federal state. If the customs union was an institutional arrangement in the institutional structure, then the formal unification of Germany in 1871 marked the existence of a formal political institutional structure in Germany, which was not only the key to the success of German modernization, but also the premise and guarantee that Germany could catch up with others. The Constitution of the German Empire, which came into force in 1871 under the direct command of Otto von Bismarck, retained the federalism in the form of state structure, but more importantly the despotism in the imperial state. The despotism can be found in: First, the power of the monarch was legally recognized, and the emperor of the Empire was concurrently held by the king of Prussia, who centralized unlimited power. Second, the Reich had no cabinet,

and the chancellor of the Reich, who was also the Prime Minister of Prussia, was the only minister in charge of the imperial government. Third, the bicameral federal and imperial assemblies were empty shells. Finally, the constitution said nothing about the fundamental rights of the people.

It could be argued that, after centuries of division, the German Empire, built by war, was a despotism in the guise of the constitutional monarchy, or, rather, the authoritarian regime was a response to the divisions of politics and history. At the same time, politically authoritarian empire pushed hard economically for effective property rights and directly ensured the progress of modernization. In this way, we can see that under the strong impetus of the state power, the relatively backward capitalist economy of Germany quickly caught up with Britain and surpassed France, and the reunification of the country is the accelerator of the development of the capitalist economy.

In Tokugawa Shogunate's time, Japan was in a state of feudalism, and the national strength was weak. The occurrence of China, who had been Japan's idol for 1,000 years, losing in the Opium War and Japan's own defeat by the United States in the 1852 that forced the signing of a treaty under coercion prompted the Japanese Samurai class to launch a revolution of "respecting the King and reverting to the past" in order to strengthen themselves, and started the Meiji Restoration era. As we know, in the Meiji Restoration, what Japan did was not only to learn Western science and technology, but also to learn or imitate the way of the West, that is, Prussia. During the self-improvement movement in China, "Chinese learning as the essence, Western learning for the use" was prevailing, while to some extent, Japan's self-strengthening was a process of "learning from the West as the essence", which was manifested in the formulation of the new constitution and the commercial law. While reforming the political structure and enacting laws that were conducive to the development of the capitalist economy, the Meiji Administration made great efforts in respect of "reproduction and development" by establishing the Ministry of Industry and the Ministry of Interior. Like China's self-improvement movement, in the reproduction and development progress, the industries that were first built were a number of state-run, enriching and strengthening oriented military industries, as well as transport, communications and mining. Since 1880, the Meiji Administration sold most of the government-owned corporation to private enterprises at low prices, directly supporting the development of private capitalism, since the government-owned corporations were unable to promote private enterprise and were losing money year-on-year. Practice has proved that the policy of the Meiji government to directly support the capitalist economy was of great strategic vision. In just 15 years (1870–1885), Japan basically changed the face of backward industry, and initially realized capitalist industrialization and the transition from a feudal agricultural country to a capitalist agro-industrial country, creating the conditions for a new stage of complete national independence and industrial revolution.

Obviously, like Germany, Japan used state power to realize a kind of top-down capitalism and joined the Western-dominated capitalist political system; but, like all the later developing countries, the dominant role of state power had contributed greatly to the rise of capitalism, and there was an inherent tension in the social

structure that was difficult to overcome, which subsequently became a hidden danger for the further development and put the country on the road to national failure. That is another story.

(2) How did China lose to Japan

If China's defeat in the Opium War was the result of a long, invisible contest of institutions, China's defeat by Japan was the immediate result of a contest of institutions.

To a large extent, war is the touchstone of the capability of the system. As far as the Sino-Japanese war is concerned, many people believe that the most important reason for China's failure in the Sino-Japanese war of 1894–1895 was that the Qing government lacked a grand strategy to defend its territory. It had not purchased new naval equipment since the mid-1880s while Japan had been making the so-called plans to conquer China since the day it was conquered by the United States, as the story goes. In fact, China was not so much defeated by Japan's strategy as it was defeated by its own rotten system. In the eyes of today's standard, it is inconceivable that there was no money for national security but there was money for splurging for the personal pleasure of the ruler. But that is the function of the system, and once it is formed, it is hard to imagine changing the behavior of established institutions without a strong external shock. Under the established system, almost everyone can see the drawbacks of the system, but no one can do anything about it.

The Sino-Japanese war is a classic illustration of the power of institutions. As far as national strength is concerned, the basis of political strength is by no means only what materials, technologies, weapons and equipment, etc. it possessed; otherwise, it is hard to explain the many historical victories of the weak over the strong, such as Qin's defeat of the relatively wealthy Qi and the Chinese Communist Party's defeat of the Kuomintang. In the final analysis, the manifestation of political power is the system, that is to say, in what form will a country's materials, technologies, weapons and equipment, especially human resources, be organized, is the most important basis for political power.

Why did the Japanese accomplish what was in fact the most difficult landing battle easily? As noted earlier, since the Taiping Rebellion, China had in fact developed a Han dominated local factional politics, which immediately revealed the division of state power resources during the Sino-Japanese war of 1894. In the First Sino-Japanese War, because of the complicated factional conflicts among the various forces, the Qing Army to the East of Yantai was under the control of Li Bingheng, and the Weihai Garrison was Li Hongzhang's Huai Army, who did not care about each other. As the division coming to the rescue from the South did not listen to Li Bingheng's command, the Weihai Garrison was left fighting alone, a strange phenomenon of not being supported by reinforcements. As far as the army is concerned, there was only an army of the northern fleet and no army from central and southern China. How can this be a national war? It is rather a provincial foreign war. In fact, this is the retaliation of the Nanyang fleet against the Beiyang Fleet, since during the Sino-French war, the Beiyang Fleet seemed to be adding insult to injury when the Nanyang Fleet was down. This is the factional politics of despotism,

where each faction wants other factions to be consumed or even destroyed, and then sits on the throne itself, making its master inseparable from itself. This is a classic “prisoner’s dilemma”, the result of which is a zero-sum game in which all sides lose and the winner is the aggressor.

According to John King Fairbank, “it is amazing to see, from our point of view today, the command of China’s first modern war rested on the shoulders of a provincial official, as if it were merely defending his province. Of course, the Qing government was to blame for its lack of national courage and its timidity, but the problem laid not only in the non-Han court, but also in its far-reaching roots. Obviously, the fault lied in the monarchy itself, lied in the superficial administration, he did not establish the normal operation of modern central government mechanism. The Qing Dynasty withstood many rebellions by the Han people, but now it could not hold on to foreign relations”(Fairbank, 2003: 147).

Despite the so-called Self Strengthening Movement, the danger of focusing on military industrial development rather than institutional innovation in the self improvement movement was immediately revealed in the First Sino-Japanese War. Not to mention what kind of grand strategy, the fact that the Qing government did not even pay enough to fight the war showed how outdated the system was. In this sense, the defeat of the Qing Dynasty was doomed from the very beginning. How can a country with no defense budget, but with a patchwork of factions and a diffused central authority, resist the rising military capitalism such as Japan?

In short, the First Sino-Japanese War is a classic institutional battle, and the outcome is, in fact, deterministic. Li Hongzhang, a concerned person who experienced the situation personally, should have been most impressed by the difficulty of doing things under the old system. After the defeat, Li Hongzhang said: “I have been doing these all my life, but the military training, the Navy, all are paper tigers, how can I really do anything? I barely paint, with false appearance, which I can play along for a while without exposing it. Just like a dilapidated house, being pasted here and there, incredibly becomes a clean room. Although I know the paper and the placket, I can never tell what kind of material is in it. Even a little wind and rain can make a few holes in it. But it can be repaired at any time and can be barely usable. I want to tear it down with my bare hands, but I have not prepared any material for repairing it, and have no idea how to transform it, then the truth of its nature is exposed beyond control” (Jiang Ming, 2012: 420).

If Li Hongzhang summed up the travails of the old system in terms of the demise of the Beiyang Navy, Hurd, the then British director of Chinese Customs, put it in vivid terms: “I’m afraid China is a long way from real reform today. The gigantic giant sometimes leaped up and yawned and stretched, and we thought he was awake, ready to see him do great things. But after a while he sat down again, took a sip of tea, lighted his pipe, yawned, and dozed off” (Jiang Ming, 2012: 420).

Both Li Hongzhang, a Chinese, and Hurd, a foreigner, as concerned persons, felt the problem, but they were in Mount Lu and could not see Mount Lu for what it was. The real institutional reasons for China’s failure are:

First, the national security strategy and the old institution supporting national defense without a financial system were not able to compete with a militaristic emerging capitalist country;

Second, the dissipation of the central government's authority under the monarchic imperial system and the enlargement of the local power eroded the national power, which made the war between China and Japan become a contest between a province and a country;

Third, the monarchic imperial system under the old institution was not only difficult to organize a unified national force, but also lack of the people's view of the nation under such old institution, which made it impossible to be united as one against the common enemy.

The failure of the old system of the "Great Patriarch" (China) in East Asia to the younger brother (Japan) who carried out the new system forced the Qing Imperial Court and the public to make a serious review, thus creating the "Hundred Days' Reform", or "Wuxu Institutional Reform", which became a sensation in 1898. When the "Hundred Days' Reform" failed and saw Japan defeat Russia, a great power in Europe, in 1905, the Qing Court again had the impulse to establish a constitutional government. In the following year, the Qing Court issued an imperial edict to establish the Constitution in order to "invigorate the country". A constitution was supposed to be a cure for all China's ills. As a man of the hour, Liang Qichao who had traveled to the United States, Japan and the British colony, Singapore, experienced the practice of constitutional government and learned the theory of constitutional government, held that the constitution, which was "unchanging" and "held by the people and the Emperor", was the "vitality" of the country. Only with the constitution could the country "be free from chaos forever" and avoid what Mencius called the cycle of "order followed by chaos" (Liang Qichao, 1980: 105). However, the constitution failed to save the tottering regime of the late Qing Dynasty. After overthrowing the Qing Dynasty, Sun Yat-sen was unable to carry out the constitutional government. The warlord politics, which maximized the personal interests of the rulers, not only failed to implement a constitutional government, but even seemed to have brought the Chinese society into a more desperate situation.

Chapter 15

The Beiyang Government in the World Political System: The Second Failure of the State



Without a political system, whose main function is to maintain the basic order of human existence and to reduce the cost of living and the transaction costs of human existence, social relations between human beings become the jungle animal world where the strong preys on the weak, which is not the rule of human civilization, but the savage “jungle rule” of the animal kingdom. In fact, no matter the warlord’s rule dated from Yuan Shikai’s time or from the death of Yuan Shikai in 1916, it should be said that the “Republic of China” had existed in name only since the murder of the Kuomintang political activist Song Jiaoren by Yuan Shikai, and China entered what Thomas Hobbes calls the “rule of the jungle” period, which lasted until 1928. This period can be thought of as a period of political decline. Under the guidance of the “jungle rule”, the principle of maximizing the interests of rulers, which exists at all times, was carried out to the extreme by the Beiyang Warlords, resulting in an unprecedented national crisis; at the same time, capitalist economy seemed to have an unprecedented development during this period, and thus became the only bright spot. But in a country like China where agriculture was the dominant economy, the failure of the peasant economy meant the failure of the state, no matter how lively the Shanghai Bund was then, as we can see in many less developed countries today, slums surrounded the bustling city.

15.1 The “Jungle Rule” of the Warlord Politics

There does not seem to be much new discussion about the nature of the regime, in which the warlords divided land, claiming power by force, and defended the interests of the landlords and the bourgeoisie. But what is the guiding ideology of warlord politics? There might be entirely different understandings of it.

Some people think that the warlords followed a certain code of conduct. For example, Jerome Chen pointed out that many of the warlords were guardians of the Confucian way of life. Some even wrote about the relationship between the Confucian

way of life and their political views, so the warlord's code of conduct followed Zhang Zhidong's "Chinese learning as essence, Western learning for use" (陈志让, 1980: 8). Like Jerome Chen, the representative domestic scholars doing research on Beiyang Warlords regard "Chinese learning as the essence, Western learning for use" as the guiding ideology of warlord politics (Lai Xinxia et al., 2000: 21–23).

I believe that it is a deviation from the evaluation of the basic direction of public politicians to take being a filial son, paying attention to traditional ethics and other personal behavior in the private life of the warlord as the evaluation of the standard of warlord politics. The nature of political figures and regimes cannot be evaluated on the basis of certain patterns of conduct that are reflected in private life, but rather on the basis of the manner in which a political figure or a regime behaves. In short, the principle by which a political figure or regime is measured is the public way of doing things rather than the private way of life.

The nature of the Beiyang Warlords was fundamentally different from that of the Self Strengthening Faction represented by Zeng Guofan and Li Hongzhang: The Self Strengthening Faction stresses political loyalty and political ethics, and it is because of this political loyalty and political ethics that localism was not powerful enough to threaten the highest authorities or be excessively harmful to local people. But the Beiyang Warlords who had lost their political loyalty also greatly reduced their personal loyalty; otherwise, the generals of Beiyang's six towns opposing their mentor, Yuan Shikai, and constant infighting and regrouping within the various factions would not be recorded in the history book. The work of Rozman and others may help us further understand the guiding principles of warlord political behavior, and is worth quoting at length here:

Yuan Shikai's new army in Zhili province became his personal instrument of political power. The officers of the new army were from the beginning to the end his loyal private men. The structure of Yuan's corps was fundamentally different from that of Zeng Guofan and other provincial leaders in the mid 19th century. The old Hunan Army and its kindred were led by the landlords, which emphasized clan relations and loyalty to the locality. Zeng's army, which had produced new leaders by promoting junior officers who had distinguished themselves on the battlefield, which was likely to promote soldiers with little knowledge or breeding that could be managed if violence is excessive. After all, the Hunan clique and the similar armies were still constrained by the local social environment. They could choose other non-military occupations in the social environment of their hometowns, as some of them did later. They had a strong sense of identity with their provinces. By contrast, Yuan Shikai's new corps of officers had been recruited from many provinces. Their first allegiance was to the military academy, their fellow graduates, their military careers, and above all to their "teachers" and "super emperor" Yuan Shikai. It is a strong personal relationship, independent of family, clan and local sentiment, and on many occasions in China, these values are an important criterion for dealing with people. The fundamental and long-term goal of guiding the development of the relations between the family and the local people, therefore, emphasized reciprocity of courtesy and submission, while the officers and soldiers of the Yuan Army certainly did not possess this quality. These features of Chinese social life were not entirely removed from the new-style warlords, but they possessed an absolute compulsion to weave a new network of relationships. Not surprisingly, their domination of politics brought a period of chaos and backsliding, enraging elites and the new intelligentsia. There was nothing in common between the warlords and these two groups, and what they did could not be accepted by them.

Rozman and others commented further:

[Yuan Shikai] had no regard for the normative constraints of his predecessors, Li Hongzhang and others. His naked unrighteousness contributed to the growing cynicism and freewheeling governance of the late Qing Dynasty, pushing the destruction of the traditional Chinese bureaucracy to its final stages. Politics could not promote any of the noble principles of self-sacrifice, public conduct, adherence to political ideals (old or new), or strict observance of personal integrity. The army's manipulation of the political process discredited politics. Ideally and to varying degrees in real life, being in politics had long been regarded in China as a solemn and noble profession of serving the country and the people, but it was then associated with the disorder of the military, had been completely decoupled from merit and achievements. The special practice of cultivating a gentleman-like society, which belonged to Chinese civilization, had long been the main guarantee of the government's incorruptible measures. Then, at best, this was an empty shell, a loss of the broad content of the past, and at worst, a caricature. Some individuals might still be willing to follow the old political ideals, but the old civil service had been partially modernized by the military's meddling in politics, and they were out of practice, when they wanted to do something, they could not get their hands on it. (Rozman, 2003: 244–246)

The above situation is not only a description of the political guiding ideology of the warlords, but also a summary of the political consequences of the warlords. Therefore, the guiding principle for evaluating public figures or a regime is not only to see what they say, but more importantly to see what the consequences of their actions are, that is, to have only one criterion, the publicity of their words and deeds and the results of the words and deeds. Through the above-mentioned simple general discussion, I am afraid it is difficult to accept the so-called parlance “Chinese learning as the essence, Western learning for use”.

Rozman and others have described the “rule of jungle” of warlord politics—the strong preys on the weak. The so-called traditional ethical relationship among the warlords was just like the protection and self-defense of the herd-like animals. How could it rise to the level of the “Chinese essence” through such a private act? How could a political act without political loyalty follow the “Chinese essence”?

Sun Yat-sen, who was forced to relinquish the presidency to Yuan Shikai because of his inability to overthrow the Qing Dynasty, had worked out a *Provisional Constitution of the Republic of China* (hereinafter referred to as *Provisional Constitution*) before relinquishing the post, whereby the presidential system was changed to the cabinet system as stipulated in the *Revised Outline of the Organizational Framework of Provisional Government of the Republic of China*, promulgated on January 2, 1912, in order to restrict Yuan Shikai's power and safeguard the achievements of the bourgeois revolution. According to the *Provisional Constitution*, “the state councilors (prime ministers and ministers) shall be responsible for assisting the interim president, doing their duties,” and “shall be required to countersign bills, promulgate laws and issue orders when the interim president makes them.” The interim president is subject to the constraint of both the Senate and the state councilors (Zhang & Li, 1990: 681–684). It should be said that the Provisional Constitution was designed for Yuan Shikai alone. The cabinet was nominally answerable to the president, but it

was in fact answerable to the Senate, which is controlled by the revolutionaries. Sun Yat-sen and others, who were familiar with Western constitutional rules, thought that Yuan Shikai would have to obey such fundamental rules of the game.

Yuan Shikai seemed happy to accept such rules, but was by no means ready to be abide by them, as some scholars have suggested (Yu Heping, 2001: 462–463). We cannot restore the real psychological state of the people at that time, only from their actual behavior to judge the nature of their behavior, otherwise we will fall into a messy of self-set trouble. The *Provisional Constitution* devised a set of conflicting power structures: not only did the overall legal orders issued have to be countersigned by the state councilors, but also all cabinet members nominated by the prime minister and appointed by the president had to be approved by the parliament. This conflicting institutional design certainly could not deter Yuan Shikai who had made his fortune in the military. Mr. Tang Shaoyi, who appeared to be neutral, was forced to resign after three months as prime minister. Then came Lou Tseng-Tsiang and Cho Byung Hoon, Yuan Shikai's confidants, as prime ministers and, in effect, as Yuan Shikai's "royal cabinet". At this point, the institutional design of the *Provisional Constitution* of the Republic of China became a failure.

Instead of retreating, the revolutionary party formed the Kuomintang in the hope of taking control of the Senate, and thus the presidency which was elected by the Senate, under a new constitution, party politics, and electoral politics. Yuan Shikai went head-to-head with another party, the Republicans. The KMT, which was familiar with Western party politics, seemed to have a better understanding of social mobilization, with its leader, Song Jiaoren, appearing to have more prestige than Yuan Shikai in elections and party politics. This was intolerable to Yuan Shikai, the political strongman of the old bureaucracy, who plotted the murder of Song Jiaoren in his own back room. After that, Yuan Shikai forced the congress to amend the established procedure of amending the constitution first, followed by the election of the president, looking forward to a formal parliamentary "election" of the president as early as possible. Immediately afterwards, Yuan Shikai organized what he called a "Citizens' League" to force the congress to comply and into submission, allowing him to ascend to the throne of the Great President of the Republic of China on the second anniversary of the 1911 Revolution, on October 10, 1913.

From the day of Song Jiaoren's murder, it can be considered that Chinese politics officially entered the era of "jungle rule", which Yuan Shikai followed in a series of political activities: when engaging in party activities, Yuan Shikai would use the old army as a tool to assassinate political opponents who were stronger than him, thus declaring the death of the political experiment of the Party; instigating the "Citizens' League" to force the congress into submission, which was a trick of rogue politics; the "parliamentary crisis" caused by the declaration of the Kuomintang as a "rebel party" and its dissolution was, in fact, a crisis of the national system, which announced the disintegration of the politics of the system of Republic of China; not content with being president for life, Yuan Shikai wanted to abolish the Republic and impose a monarchy.

Unfortunately, Yuan Shikai only directed the opening act of the "rule of jungle", and after Yuan Shikai's death, his disciples pushed the "rule of jungle" to its climax,

as fate would have it with their mentor: total destruction. If the proponents of Social Contract, Roch and Thomas Hobbes, had seen Chinese warlordism with their own eyes, they would have proved their theory by referring to Chinese warlordism rather than by supposing the original so-called “state of nature” of mankind, for warlord politics was in fact a “state of nature” under the “law of jungle”.

Rozman and others describe the “state of nature” under warlord politics from 1916 to 1928 vividly and profoundly:

By the 1920s, China was full of warlords, large and small, occupying half a county or even a few provinces, and local leaders were of a motley bunch of people of all kinds. They came from very different backgrounds. Some, such as Yuan Shikai or Wu Peifu, had advanced education or achieved gentry status. Others, such as Zhang Zongchang, Shandong’s infamous “dog meat general”, came from humble origins. Zhang’s father was a barber, and his mother was a witch. The real problem, however, was not that the transition to modernity had brought some people from unknown backgrounds to power. The essence of China’s difficulty is that this transition has undermined the tried-and-true process of selecting leaders and replaced it with a totally ruleless situation in which whoever could assemble a group to do evil would take power. (Rozman, 2003: 231)

It should be said that, unlike the warlords at the county and provincial levels, the more powerful warlords such as the Zhi series, the Anhui series and the Feng series, were in the pursuit of a political legitimacy. Infiltrating Chinese people’s blood is the concept of national unity, Chinese people firmly believe in the so-called “being together for a long time will be divided, separated for a long time will be together” of the historical cycle. If anyone dares to challenge the belief that the concept of national unity guides and governs Chinese thought and behavior, he cannot expect the people to recognize his authority. This idea led to a crisis in warlordism itself, in which the warlords were in a state of contradiction between their desire to maintain a politically independent kingdom and their inability to deny the unity of the country.

One solution to the legitimacy crisis is to organize a centralized national government of the Republic of China and exercise power on its behalf, preferably in Beijing, which had been the country’s political center for centuries, so that whoever occupies Beijing seemed to have at least formal legitimacy. On the one hand, it could deal with foreign governments on behalf of China, because foreign countries also wanted a unified government, otherwise their interests could not be protected; on the other hand, he could accuse other warlords of illegality in the name of the central government and command them, even though he knew such orders would not be carried out. To this end, the warlords occupying Beijing had always deliberately issued orders that were difficult to carry out in order to increase their own legitimacy and the illegality of other warlords, as every warlord occupying Beijing had done.

Thus, for example, Chinese American scholar Qi Xisheng’s research explains: “The need for greater legitimacy compelled all powerful and ambitious warlords to work to unify the country. The existence of this universal law made it impossible for military men to be content with limited goals, forcing them to compete until one of them achieved the goal of reunification. That was one of the main reasons why there were so many wars in the 1920s” (Chi Hsi-Sheng, 1991: 182).

Table 15.1 The number of combatants between 1916 and 1928

Years	Combatants	Index
1917	55,000	100
1918	100,000	181
1920	120,000	218
1922	225,000	409
1924	450,000	818
1926	600,000	1090
1928	1,100,000	2000

Source Chi Hsi-Sheng. 1991. 中国的军阀政治 (1916–1928) (Chinese version of *Warlord Politics in China, 1916–1928*), translated by Yang Yunruo and Xiao Yanzhong. Beijing: China Renmin University Press, 1991, p. 129

Table 15.2 The scale of the major wars between 1916 and 1928

Years	War title	Provinces involved	Provinces influenced	Total provinces embroiled
1917	Anti-restoration	1		1
1918	Hunan Campaign	1	4	5
1920	Zhili–Anhui War	3	3	6
1922	First Zhili-Fengtian War	4	6	10
1924	Second Zhili-Fengtian War	5	9	14
1926	Fengtian-KMT War	8	5	13
1926–1928	The Northern Expedition	12	8	20

Source Chi Hsi-Sheng. 1991. 中国的军阀政治 (1916–1928) (Chinese version of *Warlord Politics in China, 1916–1928*), translated by Yang Yunruo and Xiao Yanzhong. Beijing: China Renmin University Press, p. 130

In order to increase the legitimacy of their own existence, the warlords of the provinces launched a sensational “joint provincial autonomy” movement in the 1920s. Needless to say, “joint provincial autonomy” was manipulated by the warlords of the provinces, not to bring social benefits to the people of the provinces, but only to increase the legitimacy of their own existence. Warlords had always sought legitimacy, but had always faced a crisis of legitimacy, so that their rule in a region could easily be replaced.

During the warlord melee of 1916–1928, the number of combatants, the provinces involved and the length of time increased in direct proportion, that is to say, the scale of the war increased year by year, thus leading to frequent changes of the president and the cabinet. Here are some numbers that illustrate the “rule of jungle” more intuitively (Tables 15.1 and 15.2).

It is rare in world political history to see the head of state changed seven times, making the government cabinet more unpredictable, as well as 38 governments in more than a decade. There is no other explanation for “the flag of king” changing constantly in the domains and regimes, except for the “rule of jungle”. The frequency of war and regime change can no longer be described as a “constitutional crisis”. Not only the so-called “constitutional government” no longer existed, but also the general political order was gone.

The same was true at the national and the local levels, with frequent internal scuffles between warlords in the provinces. Similar to the situation in Hunan, Fujian and Guangdong provinces, several wars occurred in Sichuan Province lasting from several days to several months, such as the war to expel the Dianqian army in July to December 1920; the war to expel Liu Cunhou in February to March 1921 and the war to oust Kokubu Yū in July 1922 to April 1924. In the wars to drive out the troops from other provinces and to fight for territory within the province, the warlords of Sichuan Province expanded their armies continuously. In 1912, there were 29 divisions and 30 mixed brigades, which expanded to 200,000 troops in 1924, and the annual military expenditure was at least 24 million yuan (Chen, Jerome, 1980: 49–50).

All over the country, “the rate of local chief executive’s replacement was obviously very high, especially in the unstable areas. The Sichuan Province, for example, was in a state of fragmentation and disarray throughout the warlord years, and the average term of office of chief executive was very short. In one district, only two chief executives managed to serve for a full year, while 22 held their posts for less than a month. In war torn areas, the situation can be particularly complex: in 1919, three rival administrators set up separate offices in the same area of Guangdong, claiming their right to rule” (Fairbank & Feuerwerke, 1994a: 324). One can only imagine the people’s livelihood and social conditions there.

Dominated by the “rule of jungle”, warlords of all sizes took up positions in one area and waged many wars to encroach on others’ territories. The more wars there were, the more troops there were, the more serious was the territorial problem, and the more serious was the problem of raising troops; the serious problem of raising troops led to the endless harm to the troops, which resulted in the raising prices and costs of China’s social development. The warlords fought back and forth, resulting in a Chiang Kai-shek. Unfortunately, Chiang Kai-shek was not the Tokugawa Ieyasu of China. On the one hand, Chiang Kai-shek himself had the warlord’s character of always using excessive force; on the other hand, Chiang Kai-shek had to face the legacies of warlord politics, which made it difficult for him to exercise state power effectively, thus leaving Chiang Kai-shek with the thorny problem of the legitimacy of power. This conundrum seems to determine the fate of the Chiang Kai-shek regime.

15.2 The Failure of Peasant Economy Under the “Jungle Rule”

There is no denying that the Beiyang Government after Yuan Shikai came to power did promulgate many laws and regulations to promote the development of domestic commerce, especially the private capitalist economy. The question is, even if the capitalist economy had a relatively large development, what could it bring to China, where farmers were the overwhelming majority and agriculture dominated? We must remember that the fundamental problem in China was the problem of the peasants. If the peasants could not get by, it was the failure of the state.

In 1920, the total value of industrial and agricultural output was 15.9289 billion yuan, only 6.21% of the total industrial and agricultural output value. If we add in the output value of the workshop handicraft industry and the indigenous mining and smelting industry which had reached the size of the workshop handicraft industry, the industrial output value of the capitalist industry accounted for 14.05%. Even by 1936, the industrial output value of the new-style capitalism accounted for only 13.04% of the total industrial and agricultural output value (Xu & Wu, 1993: 740). Therefore, even if the capitalist economy had experienced a “golden age”, China was still a country overwhelmingly dominated by traditional industries. Thus, whether agriculture could be effectively developed or not, it had become an important variable for measuring the quality of politics and the effectiveness of government.

According to economic historians of that period, “during the Beiyang period, the feudal relations of production was still maintained, but the development of agriculture was relatively good, development of commercial agriculture was relatively obvious, handicraft industry was not bad, and the development of China’s national capitalist industry was relatively smooth” (Wang Fangzhong, 2002: 2). The development of domestic capitalism is a well-known matter. Logically, the development of capitalist industry will inevitably lead to the development of other fields, including commercial agriculture. One of the important indicators is the rise in land prices during this period, see Table 15.3.

Table 15.3 Land price index by region (1926 = 100)

Years/region	1912	1914	1916	1918	1920	1922	1924	1926	1927
Spring wheat regions	58	62	62	66	67	72	82	100	101
Winter wheat and millet regions	63	76	75	79	99	104	108	100	102
Winter wheat and sorghum regions	49	56	64	68	74	80	88	100	100
Yangzi rice and wheat regions	62	68	76	83	87	80	88	100	100

Source Buck, ed. 1941. 中国土地利用 (Utilization of Land in China), Shanghai: The Commercial Press, pp. 457–458 (The translator’s note: Chinese version of John Lossing Buck’s work), quote from Wang Fangzhong. 2002. 中国经济通史 (General Economic History of China), volume 9, Hunan People’s Publishing House, p. 340

Table 15.4 The rise in the price per acre in Kunshan, Nantong and Su Counties (in yuan)

Regions\years	1905	1914	1924
Kunshan County	25.09	50.00	87.73
Nantong County	39.28	59.76	98.09
Su County	20.21	23.28	37.00

Source Feng Hefa. 1933. 中国农村经济资料 (Rural Economic Data in China), Shanghai: 黎明出版社 (Liming Press), p. 85, quote from Wang Fangzhong. 2002. 中国经济通史 (General Economic History of China), volume 9, Changsha: Hunan People's Publishing House, p. 340

Table 15.5 Changes of rural households in Kunshan and other counties (%)

	Kunshan			Nantong			Su County		
	1905	1914	1924	1905	1914	1924	1905	1914	1924
Yeomen	26.0	11.7	8.3	20.2	15.8	13.0	59.5	42.5	44.0
Semi-yeomen	16.6	16.6	14.1	22.9	22.7	22.6	22.6	30.6	30.5
Tenant farmer	57.4	71.1	77.6	56.9	61.5	64.4	17.9	26.9	25.5

Source Feng Hefa. 1933. 中国农村经济资料 (Rural Economic Data in China), Shanghai: 黎明出版社 (Liming Press), p. 85, quote from Wang Fangzhong. 2002. 中国经济通史 (General Economic History of China), volume 9, Changsha: Hunan People's Publishing House, p. 344

Common Sense tells us that the rise in land prices is due to the rise in food prices, cash crop, and so on, as such the emerging warlords were clearly investing in land because it was profitable (Table 15.4).

The increase in land prices and rents had led to a decrease in yeomen and semi-yeomen and an increase in tenant farmers (Table 15.5).

The above documents testify to the changes in the social structure of China during the wars of warlords, that is, while the new warlords and the bureaucrats became richer by concentrating their land in a large scale, yeomen and semi-yeomen became poorer as a result of bankruptcy. “On the one hand, the transformation of the social structure in the countryside led to the class polarization as the yeomen were reduced to tenant farmers; and on the other hand, the new landlords (warlords, cliques, new despotic gentry) replaced the old literati landlords. The new armed, powerful, and mighty landlords took possession of the communal land, the temple land, and the inherited land for private use. And they could pass on most of the taxes to the farmers, more burden on the farmers, promoting class structure polarization. Both trends could be seen in many parts of the country” (Chi Hsi-Sheng, 1991: 130). However, the peasants could not afford to pay all the taxes. In fact, the rich were the main targets of the warlords’ extortion (Chen, Jerome, 1980: 114–116).

The decline of yeomen, semi-yeomen and the increase of tenant farmers seem to explain the development of agricultural economy, especially commercial agriculture, brought about by land collectivization (Wang Fangzhong, 2002: 371–421). However, at the same time, the farmers’ suffering and the miserable world caused by the

“rule of jungle” in the Beiyang Government period is an expected existence. This contradiction seems to be understood as follows: On the one hand, as in all stages of primitive capitalism, economic development necessarily comes at the expense of some human sacrifice and suffering; on the other hand, the “rule of jungle” only hurt the poor, not the rich. If the first aspect is basically in line with history, the second line of reasoning clearly goes against history, because no scholar, no rich person, no finance minister, and no government prime minister is immune from the forces that need to survive.

While the vast majority of farmers were in dire straits, even if the agricultural economy and the commercial agricultural economy had a relatively good growth, did the per capita income increase during this period? If farmers’ incomes during this period were to rise as a result of the development of commercial agriculture, then the history of Beiyang Army rule would completely negate some of the basic assumptions of institutional economics and of the institutional paradigm presented in this book, that is, under a bad political system and ineffective property rights, the economy is still doing well, because warlord politics was arguably the most predatory regime in Chinese history. In fact, the per capita income of farmers did not increase during this period, which is a fact acknowledged by historians. The reason was the invalidity of property rights under the “rule of jungle” politics. After studying the situation of mountain farmers, Jerome Chen pointed out that at that time China’s agricultural economy was still “subsistence agriculture”, “such as the peasants in the plains, they were exploited by the military gentry during the warlord period, and their lives became more and more miserable, and their sense of security gradually diminished. Even the grain reserves that had protected them during the famine years were taken away by the soldiers” (Chen, Jerome, 1980: 133–134). In fact, this situation continued until the mid 1930s. China’s agriculture in the 1920s was hardly “subsistence agriculture”, and as a result of the looting by warlords and bandits, the productive capacity of farmers was greatly reduced, leading to several devastating famines in the mid-to-late 1920s. In response, the American Red Cross rejected relief because the famine was political and not caused by natural disasters. Myrs, a China expert, concludes that the threats and riots of warlordism led to “one of the largest internal migrations of this century in the 1920s” (Fairbank & Feuerwerker, 1994a: 353–354). Therefore, while some researchers believe that the role of the warlord government in the agricultural economy is larger than expected, pointing out directly or indirectly the positive role of the warlords in economic construction. On the whole, the so-called better judgment of the development of agricultural economy and commercial agricultural economy under warlord politics is contrary to both empirical data and a great deal of direct observation by the persons concerned.

Common sense shows, without government’s vigorous support, it is absolutely impossible for backward traditional agricultural economy to develop. But history shows the warlord politics did not prop up the agricultural development, and on the contrary, plundered the agricultural economy. The basic reason is that, except for Yan Xishan in Shanxi, Zhang Zuolin in the northEast, the Kuomintang in the South who had a relatively fixed territory, most of the warlords felt insecure because they had no fixed living area. It cannot be said that the warlords were unaware of the

importance of economic development to military power, but the problem is that they were often in danger of being overthrown by subordinates or hostile neighbors. And, because of territorial instability, they had no desire to establish stable and effective administration, leading to mismanagement of the economy and tax revenue. Without economic management departments, there would be no healthy economic system and economic development; and, without sound economic development, warlords could not successfully defend their turfs. As a result, insecure warlords were caught in a vicious cycle of grabbing everything they could get their hands on once they had a new territory in a way like killing the goose that lays the golden eggs. Comparing the regimes of the KMT, Yan Xishan and Feng Yuxiang who had no fixed territory, we can find that the existence of stable territory was the key to the establishment of an effective governance structure, and the quality of the governance structure directly determined the political fate of the warlords (Chen, Jerome, 1980: 159–170).

So, what is the negative relationship between warlord politics and agricultural economy? First, the collapse of the financial system after Yuan Shikai's death made it difficult for the central government to finance even the most basic meals, and it could only be maintained by mortgaging China's sovereignty to borrow money from abroad, allowing foreign governments to control China's revenue; therefore, the government could not allocate funds for economic construction.

From the 1911 Revolution to the Great Revolution, 467 foreign debts were incurred, the total amount was 1.337 billion yuan, of which 387 debts were borrowed by the Beiyang Government and its subordinate provinces, totaling 1.280 billion yuan, accounting for 95.53% of the total debts in that period (Huang & Yu, 1995: 72–73). The vast majority of the foreign debt borrowed was used for military expenditure, the rest was used for paying the principal and interest of the foreign debts as well as the administrative expenses, rarely used for economic construction.

In short, bad politics allowed the imperialists to participate in the dispossession of China and the Chinese people, and to control China's finances. In 1914, the revenue from the salt tax was 68.44 million yuan, but only 31.3 million yuan was paid to the government after deducting various expenses and paying off the principal and interest of the foreign debts. Revenue from tariffs was 44.67 million yuan in 1913 and 41.05 million yuan in 1914, leaving the government with only a small surplus. Still, the revenue from tariffs and salt taxes amounted to 43% of the government's revenue (Ministry of Finance, 1994: 215). This shows that by controlling the customs and salt taxes in the form of mortgage loans, the imperialist powers actually controlled China's finances.

Second, the government spent most of its money on military spending and paying off foreign debts, with little budget for developing the agricultural economy and building infrastructure. Hundreds of wars swelled the army from 450,000 in 1914 to 2.5 million in 1922. As a result of frequent wars and the expansion of the armed forces, military expenditures had increased year on year, from 27% of gross industrial and agricultural output in 1913 to 47% in 1925. This figure does not include actual expenditures not included in the budget, and was therefore even larger. Some provinces spent even more, with Sichuan accounting for 88% of annual expenditure in 1922 and Henan for 84% in 1923 (Qian Jiaju, 1934: 63) (Table 15.6).

Table 15.6 Military expenditure of Beiyang Government (million yuan)

Years	Total annual expenditure	Military expenditure	Military expenditure as percentage of annual expenditure (%)
1913	642.2	172.7	27
1914	357.0	142.4	40
1916	472.8	175.5	37
1919	495.8	217.2	44
1925	634.4	297.2	47
Mean	520.4	201.1	39

Source Yang Yinpu. 1985. 民用财政史 (History of Civil Finance), Beijing: China Financial and Economic Publishing House, p. 13, Quote from Huang Yiping and Yu Baotang, ed. 1995. 北洋政府时期经济 (Economy in the Period of Beiyang Government). Shanghai: 上海社会科学院出版社 (Shanghai Academy of Social Sciences Press), p. 64

Table 15.7 Debt expenditure of Beiyang Government (million yuan)

Years	Total annual expenditure	Revenue spent on debt	Debt service as a percentage of total revenue (%)
1913	642.2	300.7	46
1914	357.0	98.6	28
1916	472.8	137.7	29
1919	495.8	128.0	26
1925	634.4	166.5	26

Source 财政年鉴 (Financial Yearbook), volume 1, pp. 6, 19, 120, quote from Huang Yiping and Yu Baotang, ed. 1995. 北洋政府时期经济 (Economy in the Period of Beiyang Government). Shanghai: 上海社会科学院出版社 (Shanghai Academy of Social Sciences Press), p. 65

In order to pay for the enormous military expenditure, various warlords were forced to borrow massive external debts and issue excessive domestic bonds, resulting in “debt charges”, which became a large proportion of the expenditure (Table 15.7).

Thus, not counting actual military expenditure, military and debt together accounted for 70–80% of annual expenditure, plus daily administrative expenses, leaving little budget for agriculture, commerce and transportation. In 1912, economic and educational expenses accounted for 3.5% of annual expenditure, less than 1.2% in 1914 and 1.2% in 1916, down to 0.5% in 1919 (Huang & Yu, 1995: 67).

Some people compare the burden of land taxes in the warlord political period with that in the late Qing Dynasty and point out: “In the 14th year of Guangxu Emperor, the land taxes in Guangdong and Jiangxi were 2.5 dimes per mu, 3 dimes in Hubei, 2.8 dimes in Shanxi, and only 5 cents in Moukden. In Guangxu’s 28th year, Henan’s farmland was taxed at 3.2 dimes per mu, while the nation’s best rice fields were taxed at about 4 dimes per mu. By 1925, in Sichuan was about 2.56 yuan per mu, in Shanxi and Henan about 3 yuan per mu, in Fengtian (Shenyang) was 3.7 yuan in cash, no

longer paying in Feng yuan. This would have increased land taxes by about 10 times over 40 years, and in Fengtian (Shenyang) by 74 times!” (Buck, 1941).

According to a survey of 115 counties in 19 provinces, from 1912 to 1927, the Growth Index of the amount of regular land tax paid by farmers to the county government per mu, the growth was 25–39% in the wheat regions, 15% in the Yangtzi rice–wheat regions, 29% in the rice-tea regions and 118% in the Sichuan rice regions (Buck, 1941).

At the same time as the amount of regular tax increased, the additional tax was as much as an ox hair. In Changsha, Hunan Province, for example, from 1915 to 1927, the Surtax rate increased by 45% (Buck, 1941).

What made it more difficult for farmers to bear is the general practice of prelevy of land tax by the warlords in a way like killing the goose that lays the golden eggs, as shown in Table 15.8.

Table 15.8 The situation of land tax levied in advance by local warlords after 1920

Regions	Collection Time	Year of land tax	Years of prelevy
Henan	Autumn 1920	1921	1
Shanxi	Spring 1928	1929	1
Shandong	Spring 1927	1928	1
Weinan, Shaanxi	Autumn 1925	1926	1
Dezhou, Shandong	Autumn 1927	1928–1930	3
JIaying, Guangdong	Autumn 1925	1926–1928	3
Henan	Spring 1928	1932	4
Nangong, Zhili	Autumn 1927	1928–1932	5
Zhangzhou, Fujian	Autumn 1925	1926–1930	5
Dingzhou, Fujian	Autumn 1926	1927–1931	5
Haifeng, Guangdong	Autumn 1925	1926–1930	5
Chen County, Hunan	Spring 1924	1925–1930	6
Xinghua, Fujian	Autumn 1926	1927–1933	7
Pi County, Sichuan	Autumn 1927	1928–1939	12
Zitong, Sichuan	Spring 1926	1927–1937	11

Source Chen Hansheng. 中国农民负担的赋税 (Taxes Borne by Chinese Peasants), quote from Ministry of Finance of the People’s Republic of China, ed. 1994. 中国农民负担史 (The History of the Burden on Chinese Peasants), volume 2, China Financial and Economic Publishing House, p. 270

Fourth, in addition to the above taxes, there was a significant increase in salt tax, especially Likin that brought disaster to commercial agriculture, and greatly increased the transaction costs of agricultural commodities. In the Republic of China period, the regular tax rate of Likin was greatly increased due to the imaginable localization of finance and the need of local warlords for survival. The tax rate of Likin was originally 1% but after being carried out all over the country, the tax rate of most provinces was between 4 and 100%, up to more than 20%. In 1918, the tax rate for cotton yarn and some other commodities was more than 30%.

Meanwhile, there were checkpoints everywhere and many new tax collection points were established. In 1921, for example, although the number of official Likin stations was 753, the same as in the late Qing Dynasty, the number of substations and checkpoints increased considerably. Substations and checkpoints were often located at railway stations, waterways and major highways through which goods and vehicles and pedestrians passed in large numbers. In the 1920s, even on nationalized railways, there was a Linkin checkpoint every 60–70 km.

The greatly increased Linkin and the numerous checkpoints severely hampered the flow of goods. For example, in February 1927, the freight rate for wool from Baotou to Tianjin was 11.51 yuan, while the freight rate from Tianjin to New York was less than 1.5 yuan per bale. Exports of wool have more than halved as a result of a sharp rise in transaction costs (Ministry of Finance, 1994: 278–280).

Taking into account the above expenditures and the income sources of warlord politics, the institutional environment of the agricultural economy as a whole is as follows: On the one hand, the government hardly had the surplus funds to support the agricultural economy despite the emergence of a number of agricultural reclamation companies to promote the development of commercial agriculture (Wang Fangzhong, 2002: 365–371). On the other hand, warlords with no stable territory had been pursuing a predatory policy. In such an institutional environment, it is difficult to imagine that the agricultural economy as a whole could develop and that the per capita income of farmers could increase. According to the economist Zhang Peigang's investigation, in the 1920s and 1930s, the average annual income of Chinese peasant families was between 200 and 300 yuan (in the currency at that time). "An income of 200 to 300 yuan was divided among five or six members of an average family, and each person was assessed only fifty yuan per year. This includes food, clothing, housing and other expenses, which were obviously not enough, but farm income could not be used entirely for household consumption. Farm expenses, such as the purchase of seeds and fertilizers, the purchase of farm implements, the raising of farm animals, the payment of land rent, taxes and so on, must account for at least a third or a quarter of the income. So, if farm spending and taxes were removed, the surplus would be less available for household consumption. The low standard of living of the peasants needs no further discussion" (Zhang Peigang, 1992: 90–91).

Under these circumstances, it was impossible to make a profit by investing in agriculture and so few capitalists would invest in it. As some economists call it, there was no such thing as an agricultural capitalist economy. When farmers were unable to reproduce simply and to feed themselves, soldiering became a profession. In areas where the Communist Party was weak, the peasants either joined the ranks

of the warlords or became bandits, and “bandits” being a way of life for the peasants in many areas, who were peasants by day and bandits at night. In areas where the Communist Party was active, participation in peasant movements and revolutions was a common phenomenon. It was difficult for individual peasants to control their own destiny, whether they joined the ranks of warlords, or were regarded as bandits, or took the road of revolution, which could not be separated from the background of the time and place, illuminating the depression of the countryside and agriculture. The belief that “agricultural economic development was good” is basically contrary to China’s contemporary history.

Chapter 16

The Nanjing Government in the World Political System: The Third Failure of the State



16.1 The Nature of the National Government of the Republic of China and the Political Crisis

It should be said that the Kuomintang was a more advanced organization than the old warlords, both in terms of its organizational philosophy and in terms of its organizational form, so the National Government of the Republic of China was a bourgeois regime more advanced than the Beiyang Government. After all, the Kuomintang at this time had both Sun Yat-sen's "Three Principles for People" as ideological reserve as well as the organizational and ideological guidance of the Soviet Communist Party.¹ But the GMT's legacy means that the National Government of the Republic of China would continue to operate in crisis: first, the fragmented political structure left by warlord politics made it difficult for the National Government of the Republic of China to carry out its policies; second, although it had been nearly 20 years since the bourgeois revolution, the warlords who did not have stable territories would not pay attention to the construction of the organizational system, and family power, rather than state power, was still the dominant force in local affairs. Thus, when the National Government of the Republic of China attempted to use state power to transform and reorganize traditional society, it encountered strong resistance, resulting in crisis of infiltration of state power. The dual nature of the crisis determined the failure of the agricultural policy of the National Government of the Republic of China, and the failure of agricultural issues directly led to the toppling of the political edifice.

There is probably not much doubt among the Chinese academia about the bourgeois nature of the National Government of the Republic of China, which can be described as a bureaucratic capitalist or state capitalist regime. Regimes of this nature face some inherent difficulties that are difficult to overcome from the very beginning. Chiang Kai-shek, who established the National Government in Nanking

¹ About the Leninist feature of GMT in terms of organization, see also Bruce J. Dickson. 1997. *Democratization in China and Taiwan: The Adaptability of Leninist Parties*, Oxford: Clarendon Press.

by “settling” the Beiyang Army by force, still faced challenges from the warlords and had to contend with the struggle to consolidate his power. This was in fact the first immediate threat and crisis the Chiang Kai-shek regime faced, an abnormal relationship between the central and local authorities, and thus a distorted structure of the state.

Since Chinese society had long been a “honeycomb” social structure, people had in fact only the concept of the family but not the state, and the warlords after the bourgeois revolution were busy with war rather than social governance; therefore, it did not fundamentally touch the traditional social structure. The National Government in Nanking was the beginning of the real power of the bourgeoisie and the beginning of the first serious construction of national identity in history. However, the political legacy that the Nanking government was facing was a “honeycomb” social structure coupled with the still-separated state of the warlords, rendering the state power being resisted in the process reaching the society. As a result, a second crisis for the Chiang Kai-shek regime ensured. This crisis, in turn, can be seen as a source of tension between the state and society.

The third crisis was the direct threat from the outside, namely Japan, which originated from the crisis and fragility of the National Government of the Republic of China itself. At the same time, the external crisis might have helped to increase people’s support and recognition of the government, as well as the legitimacy of the government, as Pfeffer, a professor at Columbia University, who was in China at that time, reported in October 1936: “At this time, the Chinese were in a state of self-confidence and patriotic fervor.” An editorial in the *Ta Kung Pao* also said in December 1936, “in recent months, the confidence of the Chinese people seems to have come back from the dead” (Fairbank & Feuerwerker, 1994b: 182). However, instead of turning the external crisis into a turning point and a driving force, Chiang Kai-shek was busy “suppressing the communists”, enabling the external threat becoming finally greater than the internal crisis. This marked the failure of the policy of “pacifying the interior before resisting foreign aggression”, leading to the collapse of the regime. Thus, the National Government in Nanking, which was not long in existence, was in fact facing three crises at once; since the third crisis, an external crisis resulted from an internal one. The discussion here has mainly focused on internal crises.

In my opinion, these three crises were superficial, they were not enough to subvert the National Government in Nanking. The deepest crisis was the tension between the structure/nature of the regime itself and the social structure; in other words, the irreconcilable conflict between the interests of the ruling class and the interests of the public led to the crisis of the legitimacy of the regime, which ultimately led to the regime’s failure.

The threat of political opponents and the crisis of state structure. Chiang Kai-shek, who “unified” China in 1927 and founded the National Government in Nanking, did not, in fact, achieve “all over the land, all are the king’s subjects”. It was not until 1936 that Chiang Kai-shek was able to basically wipe out the warlords left over from the period of the Beiyang Government and began his famous “anti-communist” campaign of “pacifying the interior before resisting foreign aggression”. However,

it failed because the class nature of the regime itself lacked the legitimate support from the majority of the Chinese people, the peasants.

The National Government, founded in 1927, was initially restricted to a few provinces downstream of the Yangtze. In order to restrain the warlords who had not yet surrendered, Chiang Kai-shek and the other great warlords, Feng Yuxiang, Yan Xishan, and Li Zongren, held a reorganization meeting in January 1929 and agreed to reduce the army from two million to 800,000. But the warlords believed that Chiang Kai-shek was using reorganization against them, leading to a series of Anti Chiang Wars.

Even in the early 1930s, the actual areas controlled by the central and local governments showed that the Nanjing government's actual control were limited to the relatively affluent areas of Zhejiang, Jiangsu, Shanghai, Anhui, and Fujian, whereas China's vast regions were still dominated by various warlords. Zhang Xueliang ruled the NorthEast and North China; Feng Yuxiang ruled Shaanxi and Gansu; Yan Xishan ruled Shanxi; Liu Xiang and Yang Sen divided Sichuan; Li Zongren and Bai Chongxi controlled Guangxi. In addition, there were Chen Jitang of Guangdong, Tang Shengzhi of Hunan, Wang Jialie of Guizhou, Long Yun of Yunnan, Sheng Shicai of Xinjiang, and others who still maintained the armies defying orders from the central government. They pursued their own administrative, financial, and agricultural policies in their own regions, which were out of the reach of the National Government of the Republic of China.

Chiang Kai-shek seemed unimpressed by the way the various warlords conducted their own affairs, but he regarded the communist party as a more serious threat. Nevertheless, the process of "suppressing" the Communists also allowed Chiang Kai-shek to seize control of the local forces, pushing the Kuomintang's military and political forces into the southern and southwestern provinces. Because the warlords feared the Communists more than Chiang Kai-shek, they had to welcome the national army into the provinces, enabling Chiang Kai-shek to centralize the local administrations.

Thus, by the end of 1936, Chiang Kai-shek controlled most of the country's provinces, 18 of the mainland's 25 provinces, and seven remained autonomous. Even though some of the 18 provinces he controlled were the result of a policy of buying offs and compromises, there were still entrenched political forces protecting their vested interests. As such, resistance to the implementation of National Government's policies was still visible, and there was a crisis of power penetration.

Relying too heavily on military forces, the National Government of the Republic of China had to direct its limited state finances toward military spending. Table 16.1 reflects military expenditure as a percentage of annual expenditure.

Excessive military spending was bound to affect other areas, especially the building of socio-economic welfare. As we know, the early 1930s was a period of unprecedented agricultural crisis in China, and what the National Government of the Republic of China did was: First, abolishing Likin, which was beneficial to the circulation and development of the commodity market, but increased the burden on farmers; second, the state power had infiltrated into the society, intended to establish grass-roots political power organizations, but the country's finance was constrained, increasing the burden on the farmers as a result. Farmers needed state aid more than

Table 16.1 Status of military expenditure as a share of government expenditure (million yuan, %)

Years	Total annual expenditure	Military expenditure	Military expenditure as percentage of annual expenditure
1928	434.4	209.5	48.4
1929	539.0	245.4	45.4
1930	714.5	311.6	43.7
1931	683.0	303.8	44.5
1932	671.9	320.7	47.5
1934	940.0	387.8	41.2
1935	957.2	321.0	33.5
1936	990.7	322.0	32.5
1937	2091.0	1383.0	66.4

Source Tian Jianjun. 1999. 试析国民政府减轻农民负担举措失败的原因 (An Analysis of the Reasons for the Failure of the National Government of the Republic of China to Lighten the Burden on Farmers), *Journal of Northwest University* (Philosophy and Social Sciences), Issue 1, Volume 29, p. 117

ever, and the state was powerless to do so because of excessive military spending. Not only that, the state's actions described above had pushed the peasants into the abyss, leading to the loosening of the cornerstone of the regime.

Thus, on the one hand, although the Kuomintang had eventually "unified" China, the crisis of the state structure left behind by the Beiyang Government was not really solved, which had always stayed with the National Government of the Republic of China. On the other hand, excessive military action to resolve the structural crisis of the state aggravated the crisis of legitimacy of the regime itself. To a large extent, this is determined by the nature of the regime: Measures to protect the capitalist economy led to a boom in the cities; but in the countryside, relying on the bourgeoisie to prop up the regime to contain peasant uprisings made land reform impossible, leading to more peasant uprisings. Therefore, we can see that the crisis of state power structure was not enough in itself to destabilize the regime, but rather the nature of the regime itself did.

The state power expansion intensified state-society relation. The 1930s was a period of frequent spontaneous peasant revolt, with both anti-tax movements and rent, and tax related riots (Fairbank & Feuerwerker, 1994b: "Chapter 6: Peasant Movement"). But even in the anti-rent movement, tenants often targeted public buildings and offices rather than the house of the "lords", and they often pointed their anger at the police who pressed for rent, rather than at the landlords who demanded the police to do so. On the one hand, it shows that the dominance of the local gentry over the moral norms made the peasants afraid to point to the Confucian moral structure of the traditional patriarchal system; on the other hand, it also explains the tension of the state-society relationship structure caused by the expansion of state power.

How did the National Government in Nanking rule the society? In 1928, according to Sun Yat-sen's *Outline for Founding the Republic*, the National Government of the

Republic of China promulgated the *County Organic Law*. The subsequent implementation of the *County Organization Law* contradicted Sun Yat-sen's idea of county autonomy, and a multi-level administrative unit system was set up at the county level during the "Rural Construction" movement. "Rural Construction" was aimed at the growing political influence of the Communist Party in rural areas, so its primary task was to carry out political clean-up in rural areas to prevent the development of the Communist Party, including the clean-up and improvement of the rural administrative system, the re-division of administrative districts below the county level, the establishment and improvement of institutions at all levels, the checkup of household registration, and the rectification of local armed forces. Taking the example of "Rural Construction" in Shanxi Province, since the early years of the Republic of China, directly below the county were administrative institutions "districts", which ranged from 10 to 15 townships; below the township level were "villages" consisting of 100 or more households, "Li", in towns and cities; below the village level were "Baojia", a mutual supervision and joint responsibility unit, that is, *lǚ* and *lin* stipulated by the *County Organization Law* (25 families for a *lu*, 5 for a *lin*).

The result of state power extension is as follows. First, state control rather than social autonomy. Especially in the domestic and international environment where security was the top priority, control rather than democratic self-government seemed to be the inevitable choice of the Kuomintang government. The *County Organization Act* of 1928 strengthened the role of the government administration, and the postponement of the date of establishing local self-government showed that the Kuomintang had doubts about self-government. In the design of the *County Organization Law*, the head of the county could control only a few departments, while more government bureaus were directly appointed and answerable to the provincial government rather than to the head of the county. At the same time, in the process of rural self-government, the Kuomintang government required the heads of districts and villages to go to the county on a regular basis for "training courses on party essentials" so that the rural elites would consciously obey the Kuomintang government. In this way, the guidance of "Party righteousness" in rural construction and the thought and policy of "controlling economy" in urban areas embodied the theoretical basis of fascism under the political rule of the Kuomintang, believing in the power of "one doctrine, one party, one leader". In this way, the political mobilization carried out by the KMT during Yuan Shikai's period to call for more people to participate in politics had evolved into strengthening the KMT's own internal control, believing more in their own power than in the ingenuity of the masses. Such top-down control inevitably led to the question of the legitimacy basis of the regime, especially considering that the Kuomintang government was a regime supported by consortia.

Second, the process of control completed the alliance between Kuomintang and the landlord class. Such an outcome would have been unthinkable during the Revolution of 1911 and the northern expedition, but it was done in order to prevent the Communist Party from developing in the countryside, in fact to prevent the revolution of the poor. In this way, there was basically no democratic self-government in the construction of administrative organs below the county level, and the official positions of districts, villages, and even the *lǚ* and *lin* were basically controlled by

landlords and rich peasants. At a time when state power did not permeate the countryside, it was the local elites, together with some bullies, who dominated the affairs of the countryside with their wealth and moral power. At this time, the process of state control of society had actually made the private forces of local families public or nationalized, and the landlords could use the power of the state to realize their own interests in dignified manner. But what was the result? Even Wen Juntian, a scholar who was close to the Kuomintang government, had to admit that from the early years of the Republic to the early years of Kuomintang rule (1928–1932), “the so-called local undertakings were not conducted by officials, but by the gentry; even worse, by the ruffians. People lived in ruleless societies where autonomy of people was rare and no one was able to govern. Killing, cheating, grabbing were rampant. And for many years, soldiers and bandits engaged in kidnapping and vagrants take the road. Those who could survive were in a precarious state relying on self-defense and self-preservation” (Wen Juntian, 1935: 112).

Third, the extension of state power in rural areas directly increased the burden on farmers, which led to the antagonism between the state and farmers. During “Rural Construction”, even basic funding was unavailable, the only local funds were misappropriated. Remember, the expansion of state power and the increase in the burden on farmers as a result emerged during the unprecedented period of agricultural crisis.

Unfortunately for the Nanking regime, the tense state-society relationship was directly reflected in the antagonistic class relations.

With the failure of the “Rural Construction” movement and the increasing influence of the Communist Party in the rural areas, the only choice of the Kuomintang government seemed to be to strengthen the administrative control of the rural areas and to intervene in the rural affairs directly with the state power. Thus, in the process of “suppressing the Communists”, the “Baojia system”, which controlled the countryside more tightly, came into being in 1931 in Jiangxi Province, and was extended to other “bandit areas” in Hubei, Henan and Anhui provinces. The implementation of the “Baojia system” first involved the assessment of the population and the registration of households, second the carrying out of the mutual guarantee system of joint responsibility, and last the militarization of the rural social organization. The “Baojia system”, turned the rural society into barracks, and in the name of public power, the patriarch took personal vendetta against people, and arrested and imprisoned people within their jurisdiction at will.

The Kuomintang paid the price. In the process of “suppressing the Communist Party”, the Kuomintang government completed the alliance with the local powerful factions (including the evil force), thus further alienated the majority of the people in the countryside, and formed the system of relying on the minority to oppress the majority. This is totally different from the original intention of carrying out the “Baojia system”, which is why the political mobilization ability of the Kuomintang in the countryside was so weak, and why it suffered an avalanche-like failure.

Indeed, the ruling class alienated the proletariat on the one hand because of the irrational distribution of land, and on the other hand, had to form alliances with the landlord class and the local gentry in order to consolidate their power. In this way,

the tension between the state and society caused by the control of the society by Kuomintang regime was also a tension between the class structure of the ruling class and that of the ruled class. The more strained the class structure of this confrontation between the rich and the poor, the more vulnerable the KMT regime was and the more it relied on the support of the landlord class, thus further alienating the masses. Therefore, we will see below, although the land system and land tax system were extremely unreasonable, the Kuomintang regime was unable to change this system arrangement, resulting in its own avalanche failure.

16.2 The Failure of Agricultural Policy and the Collapse of State Power

In the decade before the National Government of the Republic of China was founded, as a result of the warlord plundering under the “rule of jungle”, China’s agriculture had been on the decline and the countryside moving towards absolute poverty. From 1886 to 1920, grain imports ranged from 200,000 to 350,000 tons per year. After 1920, the volume of food imports increased dramatically, reaching nearly 1 million tons per year between 1921 and 1930, and jumped to 2 million tons per year between 1931 and 1935 (Wen Juntian, 1935: 112). It is clear that since the 1920s, China had become more dependent on food imports.

It should be said that the Kuomintang government inherited a crisis-ridden agricultural China. When the National Government was founded in Nanking, it embarked on a land reform, seeking to protect the interests of the poor. On the basis of the *Tenant Farmers Protection Act*, enacted in May 1927, *Provisional Tenant Farmers Regulations* implementing the *Tenant Farmers Protection Act* was proposed in 1928 and promulgated in 1932. The main contents are as follows:

First, about the material form of land rent. It stipulates: “The lease shall be based on the collection of the local production of the year in which the lease is made. However, if there is a contract for payment of something else or a change in price during the tenancy period, the lease shall be paid at the current market price in accordance with the contract.”

Second, regarding the amount of rent. It stipulates: “The maximum rent should not exceed three hundred and seventy-five per 1000 of the total yield of the year.” “In addition to the rent, there should be no small rent, miscellaneous taxes and all objectionable practices.” “By-products be all owned by the tenant farmers.” The main products, “refers to the main crops for the purpose of production.” The so-called by-products, “refers to the accompanying production of products for the purposes other than the original production.”

Third, concerning the form of levying rent. It announces: “Charter, tenancy system and pre-collection of land rent, rent deposit system, should be abolished.”

Fourth, the detailed provisions on the protection of tenancy rights. Such as: “If the tenant farmers can fully fulfill their obligations, except the landlord harvest their own

land, or transfer of land ownership to the farmer, the lessor cannot arbitrarily withdraw tenancy.” “When the land is reclaimed for self cultivation and then rent out again, the former tenant farmers enjoy priority for tenantry.” When the landlord pawns or sells the land, the tenant has the priority right for leasehold or purchase. When the ownership of land is transferred, except to the owner-peasants, the tenants shall have the right to continue their tenancy. At the same time, it provides seven conditions in which the owner can cancel his tenancy, but the tenant should be informed one year in advance when he requests to cancel his tenancy; “If the tenant does have special improvements in the land he rents, and does not fully enjoy his reward, the landlord shall reimburse him for his loss.”

Fifth, about the reduction or exemption of land rent. It stipulates: “If the harvest is reduced or not at all due to disasters or other force majeure in a bad year, the amount of the rent shall be reduced in proportion to the level of the yield decline, or the rent shall be waived.”

Sixth, the status of landlord and tenant. It declared: “The landlord and the tenant enjoy equal status. The landlord shall not by any means impose servitude or supply on the tenant.”

In addition, the National Government in Nanking enacted laws and regulations restricting the addition of land taxes. The Central Financial Conference of 1927 decided that land tax should go to local governments, and this was made clear in the land law of 1930. Due to the increasing proliferation of land taxes and their additional levies, the additional measures to limit land taxes promulgated by the Ministry of Finance in October 1928 provided that: The total amount of land tax and levies should not exceed 1% of the current land premium; the total amount of the additional land tax should not exceed one percent of the current land premium; the total amount of the additional land tax should not exceed the amount of the old regular tax, and the counties that had already exceeded the amount should gradually reduce to meet the requirements. At the same time, the Ministry of Finance strictly ordered that if any county magistrate disobeyed, the ministry would work with the Department of Civil Affairs to dismiss the person and have him prosecuted (Liu Chun, 2000: 82).

It should be said that the above provisions were the outcome of the bargaining between the government and the landlord class, as well as the result of the tenant farmers’ long-term opposition to the unreasonable rent relationship, at least in writing to maximize the protection of the interests of the tenant farmers. However, because of the crisis of state structure mentioned above, especially the combination of Kuomintang regime and local gentry, it was difficult to carry out the law of protecting tenant farmers in practice. For example, in Guangxi, the *Guangxi Farmland Rental Interim Regulations* promulgated in 1932 stipulated that “the landlord cannot collect the land rent in advance, and cannot collect the deposit rent”, but in fact until 1932 the situation of charging deposit was still widespread and open in Guangxi, even for very light rent for barren land, pre-charged deposit was about 50 yuan per mu. In Zhejiang, the provincial government openly protected the interests of the landlords. In December 1937, the provincial Party department and the provincial government made a joint conference on “measures to deal with disputes over tenancy,” and wrote: “If the tenant deliberately delayed the payment of rent, deduct the deposit if there is a

deposit” (Ministry of Finance, 1994: 336). This shows that the collection of deposit not only continued to exist, but it was legally protected by the local government.

The policy of restricting the additional land tax was even more difficult to implement. Some people say “in fact it was choking difficult to do, provinces and counties had never really complied with the policy, and the additional land tax not only was not reduced greatly but was increased instead (Chen Dengyuan, 1984). After the restriction of the land tax and its subsequent addition, the National Government in Nanking also abolished the local ownership of *Likin*. How is it possible in practice to cut off two financial resources of local finance at the same time?

Unfortunately, such oppressive and predatory regimes compounded the problems of agriculture by keeping pace with the deterioration of the international economic environment. From 1921 to 1931, when the West was reeling from the worldwide recession, China increased its exports by devaluing its currency. However, China suffered its first major blow when it lost the market in Manchuria in 1932, followed by a second blow (world politics) when the US raised silver prices in 1933–1934, leading to a massive outflow of Chinese silver (Fairbank & Feuerwerker, 1994b: 301). As a result, exports fell, money tightened and commodity prices plummeted, causing a massive slump in the rural economy.

In the midst of a massive agricultural depression, and with the state essentially acting as a tool to protect the interests of the landlords, local landlords felt reassured and emboldened even more to pass the crisis on to their tenants. First, because of the large number of people and the small amount of land available, the landlords were able to increase the rate of exploitation of land rent. According to Yan Zhongping’s research, before 1937 in more than half (28 regions) of the 41 regions of the country, the real land rent exploitation rate was more than 50% of the output, much higher than the legal land rent rate. Moreover, this was only as far as the rent quota was concerned, and the extraction beyond the quota was not yet accounted for, and it was common in the Chinese countryside at that time for landlords to exploit tenant farmers for additional gains.

Second, the landlord had ways of burdening his tenants. One is to transfer the additional land tax to the tenant farmers. As we know, in the 1930s, local governments massively increased additional land taxes, but the burden was borne by tenants rather than landowners who owned the land. According to a 1934 report by the National Government of the Republic of China, “in recent years, many provinces have imposed additional taxes on land, which have increased the land tax several-fold. The landlord is legally obliged to pay the land tax, but where tenancy is prevalent, the tenant pays back the land tax and all or part of the additional tax. For example, Gansu tenant farmers have to pay 60% of their land tax” (Compilation of reports of the National Economic Council, 1934: 338). The second is to perform unpaid servitude to the tenant farmers. The third is to increase the charge of rent and the prevalence of pre-rent. Thus, a few years after the enactment of the laws and regulations protecting the tenant farmers, the rights and interests of the tenant farmers were still not protected, but their burdens increased instead, and they were often forced to farm in debt and their living conditions were miserable (Ministry of Finance, 1994: 338–344).

This situation has seriously threatened the political rule of the Kuomintang. Therefore, the National Government in Nanking was forced to start a second round of land tax consolidation work.

In 1933, H. H. Kung became minister of finance of the National Government of the Republic of China. He attached great importance to land tax, saying, "after taking office, I am determined to reduce the burden on farmers and restore their productive capacity" (Ren Shuchun, 1934: 83). In January 1934, when the KMT convened the Fourth Plenary Session of the Central Committee, H. H. Kung put forward two proposals: reducing the land tax and additional tax, and carrying out the land report. According to this, the Executive Yuan formulated the *Outline of the Measures for Reducing the Additional Land Taxes*: "Article 3, the total additional amount shall not exceed one percent of the land value, and the total additional amount of each locality shall not exceed the amount of the regular tax. Article 4, where the limit of the preceding paragraph is exceeded, the original additional expenses shall be reduced separately. The procedure for reduction shall be in accordance with the relevant administrative expenses first, followed by the expenses for undertakings." "Article 6, the land price shall be calculated by dividing the farmland of the whole city or the whole province into several grades according to the estimation of the purchase and sale of the land in the last three years, and then multiplied by the combined land number as the total land price. Article 7, all additional land taxes shall be completed within the year twenty-two and shall not be delayed or omitted."

Then, at the Second National Finance Conference held in May 1937, the focus was on the reorganization of the national local finance, the reorganization of land taxes and the additional land tax, in order to reduce the burden on farmers. The topics covered in this meeting are: The reduction of land taxes and the annexed, and the elimination of all kinds of apportions; the implementation of land report; abolition of exorbitant taxes and levies; reorganization of the central and the local financial relations; preparation of the provincial, city and county financial budgets. Finally, the Second National Fiscal Conference adopted six principles on land taxes and additional levies:

- (1) After each county handles the land report, if the quoted land price can be regarded as the basis of regular tax, that is to say, the land price is divided into several grades according to the quoted price, for each such grade average land price be appropriately determined, one percent as the standard for the Levy, all kinds of additional taxes be abolished, and the surplus of tax be shared by the province and the county by 40/60% split;
- (2) Before the land is cleared, the land tax in each county that cannot be collected by the price, then it can refer to the quoted price and income by simplifying the original principles and be collected according to the revised old principles, but not more than the regular tax, and the regular tax and additional tax cannot be more than one percent of the land price.
- (3) The existing surcharge, whether or not in excess of the normal tax, shall not be increased in any name or in any urgent need from 1934 onwards; Contribution and apportions per mu in each township and town be strictly prohibited;

- (4) Where the time limit for the additional levy expires, or the original subject matter no longer exists, it shall be annulled immediately;
- (5) If the additional land tax has exceeded the regular tax, it should be checked and reduced within a time limit, and in accordance with the amount increased or decreased as reported in the land report should allocate first so as to alleviate the additional use.

As the national land report had not yet been fully adopted, the only operable clauses were Articles (3), (4) and (5). Since the consolidation of land taxes and additional progress depended on the thorough measurement of the land, and this work of thorough measurement of the land could not be finished in a short time, the meeting decided to replace the land measurement of the land report. Therefore, the conference adopted "The Thirty-Five Item Outline for Handling Land Report," setting a deadline of one year to complete the land report.

It is conceivable that the consolidation of land taxes and additional land tax, as well as the abolition of exorbitant taxes and levies, undoubtedly reduced the local financial revenue. Therefore, the Ministry of Finance readjusted the financial relationship between the central and local governments in order to make up for the local financial losses, such as the central bore military and judicial fees, tobacco and liquor license fees went to the local, and the central portioned some of the stamp taxes to the local, and so on.

It should be said that the second round of land tax consolidation had some effect. By 1937, before the outbreak of the Second Sino-Japanese War, a total of more than 300 types of land taxes and additional land taxes were reduced nationwide, with a total tax reduction of 38 million yuan. More than 7,200 kinds of exorbitant taxes and levies were abolished, amounting to 67 million yuan. By the end of 1936, more than 200 counties in 10 provinces had carried out land declaration. Among them, Jiangsu Province had a total of 19 counties completed land report, increasing about 3.7 million mu; compared with 1934, the burden on farmers in some counties had been reduced by 12–560%. In addition, land report in Xia County in Henan Province and Minhou County in Fujian Province was also considerably effective. The revenue from land taxes in all the regions also increased. In Jiangsu Province, the revenue from land taxes increased from 10 million yuan in 1933 to 14 million yuan in 1937, in Henan Province from 5.47 million yuan in 1927 to 8 million yuan in 1935, and in Shandong Province increased from 7.92 million yuan in 1927 to 15.78 million yuan in 1935 (A General Survey of China's Farmland Tax and Its Reform Prospect, 1936; Niu Shuping, 1999).

There had been results, but nationally, they were negligible. First of all, compared with the amount that the central government subsidized the local governments because of the abolition of exorbitant taxes and levies, the additional land tax relief was really limited. Before the War of Resistance Against Japan, the additional land tax was reduced by 38 million yuan, while the central government's subsidies to local governments in 1935 and 1936 reached 98.5 million yuan and 100.8 million yuan respectively.

Secondly, it is a common fact that local governments violated the central decree even in Jiangsu and other provinces where the land tax arrangement was going well. The central government stipulated that after 1934, no additional land taxes of any kind could be added, but in 1935, in the Tai County, Jiangsu Province, “without the approval of the provincial office, donations by *mu* was collected, providing workers and office expenses for dredging the Huai River. For this reason, people petitioned three times over more than two months but no reply was received from the provincial government, and the county government continued to tax as usual. In the same year, Fengxian County, Jiangsu Province recharged the farmers’ Bank Fund donation by *mu*, and the provincial department, on the grounds that “this is the suspended levy of the preceding funds”, agreed with the county “to continue to levy according to the proposal.” Farmers in Yangzhong, who still paid three times the normal tax on their land, sent representatives to the province to ask for relief, but the finance department responded: “for each county, the harsh miscellaneous taxes have been phased out, but there is still a petition to reduce the land tax; they do not understand the intention of the provincial department, so please do not discuss further.” Han Fujun, the chairman of Shandong Province, cited the flood of the Yellow River in Shandong Province as a reason for needing relief money, “the land tax of three dimes will be levied by the affected counties, in addition to the regular tax,” and “after the approval of the Ministry of Finance and the Ministry of Internal Affairs of the Executive Yuan, the levy will be granted for one year” (Niu Shuping, 1999). Obviously, the phenomenon of violating the National Second Financial Conference decision was not an individual case.

Finally, the second round of land tax consolidation did not achieve the target set by the National Government of the Republic of China. According to a survey conducted by the National Land Survey Committee, in 19 provinces from August 1934 to December 1935, the stipulation that the additional land tax should not exceed the regular tax was not fulfilled. The land tax in Hunan was more than three times of the normal tax, in Henan, Gansu and Guangxi it was more than one and half times, and in Jiangsu and Zhejiang it was more than one time. Although the income from land taxes had increased in all the provinces, the phenomenon of poor harvest was still very serious, and the average revenue of 19 provinces was only 79.83% of the total required amount of levy.

In terms of the land report, despite the success of a few counties, the overall situation was “futile, or even to breed evil, more than a multiple of the counties with very little success!” Although one-third of Jiangsu counties had completed the land report, but “the praiseworthy, only Xiao County and Dangtu”. So it was the situation in Jiangsu, the situation in other provinces could be imagined (Niu Shuping, 1999).

In the case of the abolition of exorbitant taxes and levies, although the response to the second national fiscal conference seemed to have had some success, it was all superficial, Xue Muqiao points out, “on October 12, 1934, the China Daily detailed that over the past three months, more than 1,000 types of taxes had been abolished in all the provinces and cities, and the amount of taxes was about ten million yuan (of which Guangdong accounts for almost half).” However, “this was only a small portion of the most onerous taxes. For example, in Jiangsu Province, after abolishing

one hundred and thirty kinds of exorbitant taxes and miscellaneous taxes, the Ministry of Finance sent officials to conduct a secret investigation, and it was reported that there were still at least 200 kinds of exorbitant taxes and miscellaneous taxes in all the counties.” Zhejiang “abolished as many as 457 kinds of harsh miscellaneous levies, but this 457 harsh miscellaneous levies amounted to only 247,500 yuan, the smallest tax levied being 23 yuan per year; therefore, the abolition of such exorbitant taxes had little impact on the government and the people” (Xue Muqiao, 1980: 80).

In addition to the financial factors, corruption in political institutions and the tax collection department was also a major obstacle to the National Government’s efforts to abolish local tyrants. At that time, the implementation of the contract tax system for promoting investment was a major maladministration. In Guangdong, “the system of opening tenders and contracting taxes is the best opportunity to create local evil gentry and increase extortion. What the tax collectors levy is often in multiples or tenfold of what that is submitted to the government. Under the pretext of performing their duties, tax collectors maintain tax collection and set up most of the armed inspection or undercover agents, etc. in order to intercept smuggling and tax evasion. This check is of complex behavior, good and bad intermingled, often swagger about in borrowed plumes, running roughshod over the countryside, bullying and blackmail, which appears successful” (Chen Hansheng, 1934: 39). Such a system of infringement of property rights is very destructive to production. The tobacco production in Guangdong was in decline because of such excessive taxes.

Generally speaking, the land tax reduction and the second round of land tax consolidation based on land clearing still had failed. This kind of failure is the inevitable result of the crisis of the state structure, the crisis of the state-society relationship and the class limitation of the regime.

First, because of the structural crisis of the state, it was difficult for the decrees of the central government to be implemented in the various warlords’ jurisdictions that were in fact independent kingdoms. In places where the central government cannot command, such as Sichuan Province, even after the second round of land tax consolidation, the warlords still went their own way, carrying out the advance levy of land tax by the unwise exploitation like killing the chicken and taking the eggs. As shown in Table 16.2, the increase in land taxes and additional levies made farmers miserable and bankruptcies abound.

Secondly, the consolidation of land taxes, which aimed to lighten the burden on the peasants, was bound to be detrimental to the interests of the landlord class, on which the National Government of the Republic of China had to rely in order to counter the development of the Communist movement in the countryside; thus, the policy paradox was formed: to rely on the landlord class, but also to harm the interests of this class, and ultimately was bound to be an unworkable policy. Therefore, in the tax collection, the government officials and the gentry could still levy additional taxes without authorization, and the landlords could still transfer the burden of land taxes to the peasants, which was the root of the failure of land taxes consolidation.

Finally, linked to the second factor is the policy failure caused by conflicts of interest within the ruling clique. The National Government, together with the landlord class and the bourgeoisie on which it depended, formed the ruling clique. In theory,

Table 16.2 A comparison of land taxes levied in advance by various armies in Sichuan Province

Armies\years	1933	1935	Years for levy in advance
21st Army	4 times	6 times	1964
20th Army	6 times	6 times	
24th Army	6 times	8 times	
28th Army	6 times	6 times	1980
29th Army	5 times	7 times	1967
23rd Army	6 times	8 times	1960
New 6th Army		5 times	1954
Qian Army		5 times	1935

Source 中国农民负担史 (The History of the Burden on Chinese Peasants), volume 2, Beijing: China Financial & Economic Publishing House, 1994, p. 361

all these groups would agree that their common interest was to keep the Nanking National Government of the Republic of China running, and that “without the skin, the hair would have nowhere to cling to”. Chiang Kai-shek and H. H. Kung, as supreme rulers, were well aware of this. Therefore, the two land tax consolidations were basically based on rent maximization of the rulers, that is, to maximize the policy of the promotion of social output for political stability considerations. It should be said that maximizing the social output of agriculture and the resulting rural stability would undoubtedly help to maximize the rents of political domination.

However, the limitations of the nature of state power had made it difficult for the National Government to achieve such dual maximization because, although the interests of the ruling class in theory were fundamentally the same, the conflict of interest among the rulers was difficult to reconcile. In this way, the policies in favor of the supreme ruler, though in practice they also benefited the general public, had reduced the interests of the middle and lower ruling classes and formed a kind of political pattern with the common interests of the upper class and the lower class, but in conflict with the interests of the middle and lower ruling classes. And this game was still theoretical, and in practice, China’s social conditions and state structure crisis determined that the supreme ruler could not protect the interests of the peasants at the expense of the landlord class and local gentry.

China’s history gives us an opportunity to reinterpret North’s “national paradox”. As stated earlier, the two contradictory purposes of the state are the maximization of the rent for the ruler and the maximization of social output. The history of China shows that the ruler was not one individual, and not one single ruling group either, but there were many ruling groups with conflicting interests under the supreme ruler. This history leads us to the conclusion that the maximization of the supreme ruler’s interests may directly reduce the interests of other ruling groups, thus the conflict of interest within the whole group cannot realize the maximization of the rent for the whole political ruling class, let alone the maximization of the output of the whole society. In other words, the goal of maximizing the rent for the rulers could not be

achieved, and it was not always the maximized social output that had reduced the interests of the rulers, but because the conflict of interest within the ruling group itself made it difficult to realize the maximum interest of the supreme ruler.

So, in terms of Chinese history, the “paradox of the state” seems simple. A simple revision of North’s state theory is:

First, North is right on the whole, that is, there is a long-lasting conflict between the maximized rent for the ruler and the maximized social output, and the strength of the conflict directly determines the speed of national development;

Second, however, the resistance to the maximization of rent for rulers comes not only from the maximization of social output, but also from within the ruling class, where conflicts of interest are not only difficult to achieve the maximization of social output, it also directly consumes the rent for the ruling class;

Third, in connection with the second proposition, the political product that is beneficial to the maximization of social output may also be the rent maximization that is beneficial to the supreme political ruler, that is, the political governance problem, but this kind of upper and lower benefit agreement may be difficult to achieve because of the middle resistance, that is, the resistance of interest-sharing groups within the ruling class, and ultimately lead to the failure of the country;

Fourth, the structural crisis of the state and the resulting state-society tensions not only make it difficult to maximize social output, but also, because of the energy consumption, the ruling group cannot transform its will into the policy product effectively, which leads to the dissipation of the rent for the ruling class.

The constraints of the established world political system, such as the direct blow of the great crisis of 1929 on China’s agricultural economy and the capitalist nature of the Nanking regime that had aggravated the suffering of the people, had resulted in a regime that had lost its legitimacy. Who would organize and how to organize China was an unprecedented new challenge.

Chapter 17

Say Goodbye to the Past, and Enter a New Era



The rise and fall of a country and the success or failure of its rule have always been major issues concerning the fate of mankind, which cannot be explained in a few words. However, the truth seems very simple and clear, namely, the issues of the livelihood of the people and civil rights. The realization of the fundamental interests of the rulers depends on the satisfaction of the basic needs of the people. In fact, the rulers in history understand these basic principles better than anyone else, knowing that water can carry a boat, and can also overturn a boat. But why does the ruling ship rise and fall? In the final analysis, there is in need of a mechanism for the realization of people's sovereignty.

People's livelihood is important. Whether it is the collapse of the political system or regime rotation, to a large extent because the rulers have failed to solve the issue concerning the livelihood of the people. The collapse of many dynasties in history was to a large extent triggered by the people's livelihood crisis, the people could not get basic material satisfaction. Of course, people's livelihood is a relative concept, a developing concept. In *A Dream of Red Mansion*, Granny Liu and Lin Daiyu have different requirements for livelihood. The rotation of political power also depends on the degree of the satisfaction of the people's livelihood. In the politics of periodic elections, when the party in power fails to do well economically, it will fall into a crisis or even lose in the next election. Therefore, in any sense, the basic satisfaction of people's livelihood, or the realization of basic justice, is the most solid cornerstone of political rule.

Of equal or greater importance in modern governance is the issue of civil rights. Any country would encounter economic difficulties or livelihood problems, and the economy cannot grow and prosper forever. Under such conditions, whether a regime can pull through and survive depends on the degree of the satisfaction of civil rights. The consent and approval of the people is the source of political strength. How do you get people to approve? In the end, it is an issue of political mechanism, a system to regulate the conduct of government and officials, a channel through which people can exercise their constitutional rights. Only in this way, corruption will not be rampant, officials and people can live in harmony, thus avoiding the dynasty cycle.

The Chinese communists have long since discovered the art of avoiding political failure and understood the importance of civil rights. During the Yan'an era, in his famous cave conversation with Mr. Huang Yanpei, Mao Zedong said the Communists had discovered a fundamental way to avoid the cycle of dynastic rule: democracy—to make everyone accountable, and to let everyone supervise the government.

It is also because of the people-oriented nature of the Chinese revolution that the Revolution led by the Communist Party of China finally ended China's century-old general crisis. Prior to this critical moment in history, with the exception of Sun Yat-sen and a few other persons advocating "the heaven for the public", whether it was the Westernization Reform Group of the late Qing Dynasty or Chiang Kai-shek's Nanking National Government, not to mention the Beiyang Government, basically, they were the conflict-ridden ruling cliques formed by various kinds of maximization of individual interests, which plunged the Chinese nation into an abyss of misery.

The Revolution led by the Communist Party of China has not only ended the century-old crisis, but also opened a new era of China's modernization. The basic view of Marxism on revolution is that any real revolution in history will bring about rapid changes and drastic development of society, because it declares the demise of the old system and the birth of the new system. This is a qualitative change in the course of history. In other words, revolution is an important means of political modernization. Huntington holds, a full-scale revolution involves the destruction of the old political system and the old orthodox model, the mobilization of new groups into politics, the redefinition of the political community, the acceptance of new political values and new concepts of political legitimacy, the taking of power by new and more dynamic elites, the creation of new and stronger political systems, in the sense that all revolutions involve modernization in the sense of expanding political participation, and in the sense that some revolutions involve political development in the creation of a new form of political order (Huntington, 2008: 254). This is not only a summary of some bourgeois revolutionary achievements, but also an evaluation of the role of socialist revolution. Most socialist revolutions take place in countries with backward economies and cultures and relatively backward political systems. The revolution not only leads to rapid economic growth in these countries, but also to the establishment of a more advanced political system. The revolution has made China really start the modern politics with the People's democracy as the core.

Part IV

“Against the Tide” of the World Political System: The Path of Political Development for the People’s Democracy

It is a classicist dream that people be the masters of their own country, which was not realized in history, and it is only in modern times that “people’s democracy” comes into being in practice. Under the established world political system, people’s democracy is undoubtedly a political development path in reverse with the capitalist politics and white supremacy politics, and it is not easy to achieve success. However, as the young Mao Zedong observed in the “Struggle of the Jinggang Mountain”: “Within a country, surrounded by a white regime, a small or several small areas of the red regime have emerged, which is the only such thing in the world at present that has emerged in China. We analyze that one of the reasons for this is the continuous division and war between the comprador and landlord classes in China. As long as the division and the war between the comprador and the landlord classes continue, the existence and development of the armed separatist regime of the workers and peasants will also continue.”

Keeping a business is harder than starting a business. Even if a people’s democracy exists, it may be swallowed up by established world political structures, such as the upheavals in the Soviet Union and Eastern Europe. If China can hold on to people’s democracy in the established world political system, by the second century, that is, at the centenary of the founding ceremony of the People’s Republic of China, it will be determined by China’s size that the world political system will be reorganized, and the world political history will be rewritten.

Although the “people” in the theory of “popular sovereignty” is integrated, it does not automatically organize itself as an actor. It can only rely on the organization, and a new type of national organizer, namely the political party, is needed to organize the “people”, which is undoubtedly a brand new way to organize the state. Organization was Lenin’s invention. However, not all political parties can organize the people. “Without the Communist Party, there would be no new China” is a true historical narrative. As a representative political party, the Communist Party is in line with the “people”, or the party spirit is in harmony with the people. Thus, the regime established after the victory of the communist revolution must be the people’s democratic regime.

The Communist Party of China reached “political maturity” in the Yan’an period, so the thought of building the country and government in this period can be regarded as the blueprint of constitutional expression. “People’s democracy” has undergone several changes in the Chinese constitution, from the “people’s democracy” in the 1954 constitution to the “dictatorship of the proletariat” in the 1975 constitution, and to the “people’s democratic dictatorship” in the 1982 constitution, but the best expression is probably the 1954 constitution. The superiority of people’s democracy can only be seen in comparative politics, as the saying goes, actions speak louder than words. In order to better understand the political path of people’s democracy, the last section of this part will briefly explain the theoretical pathology and practical dilemma of liberal democracy, and attempt to understand Chinese politics in comparative history.

Chapter 18

A New Approach to the Realization of “People’s Sovereignty”: Party Centralism



How to organize the political community from a decentralized tribal or feudal system into a modern state with unified power is a huge political challenge, because to date there are many developing countries that have not been organized, or have been organized and then become disordered, such as the greater Middle East. In the study of nation-building, the Western social sciences attempted to take the Western model as a model for the late-developing countries and developed the theory of modernization. In the context of modernization theory, the well-known studies are the “three paths” of Barrington Moore, Jr., that is, the liberal democratic path of Anglo-American and French style, the fascist path of Germany and Japan, and the communist path of Russia and China; (Moore, 2012) then, there are the continental Europe, the British and the American divisions, as proposed by Huntington (2008: 78–82). While Huntington fundamentally ignores non-Western countries, Moore’s “three isms” is actually a reflection of the type of policy behind which is the social structure and its evolution. However, social structure is static in nature, and does not evolve automatically, and there is a political force or a political actor to promote the evolution of social structure. Therefore, different from the Western theory of modernization, we put forward our own theory of institutional change in the study of modern state construction—the way of modern state which is distinguished according to the types of political actors.

18.1 “Party-Centrism” in the System of Social Sciences¹

The well-known “general theories” and “general concepts” of social sciences always appear in the face of “universalism”, which is the result of ideological movement. In fact, all social science knowledge is “local knowledge”, the powerful countries have promoted the theory based on their own experience in the world and made the local knowledge general. For example, the core knowledge system of the social sciences is developed around the state doctrine. Our research finds that the state doctrine is based on different paths of nation-building, and there are respectively social centralism based on the British-American experience and national centralism based on the French-German experience. However, these two theories cannot explain how the late-developing countries have come into being, that is, how they are organized. The state-building experiences of countries such as Russia and China provide what I call “party-centrism”, without which the social sciences of the world would not be called “systems”; even if they were “systems”, they would be incomplete, a rather pathological structure.

(1) Social centralism

A country is born out of society, but if social forces promote the growth and construction of a country, and the society has experienced “revolution” without “interruption”, then such a country can be called a “country that has grown up”, among which Britain and the United States are typical examples.

The British political tradition bears the key words of spontaneity, autonomy and gradualism, and the footnotes for them are the spontaneity of “the king under the law”, and the common law and the magistrate system best embody the tradition of autonomy, and the constitutional reforms in 1832 and 1867 best embody gradualism.

Compared with Britain, the founding of the United States is also characterized by autonomy and spontaneity. First of all, what the United States experienced was a country that grew up with local autonomy. Unlike many other countries in the nation building process from the top down, what the United States experienced was people voting first to establish grass roots government, state government, and then the process of establishing the federal government (Boorstin, 1987: 511). The history of American constitution-making and the system of government established by the Constitution fully explain the tradition of American autonomy and spontaneity. This process of nation building seemed inconceivable to the notion of state at the time, when Jean Bodin’s theory of the state, or national sovereignty, was in vogue. Second, autonomy and spontaneity are also reflected in the development process in the United States. In the Western development process, there was no government, no court, how to maintain order had become the primary issue. At this time, the law of nature played an important role, and on the basis of the majority rule, immigrants implemented the

¹ This section is based on the author’s own 制度变迁的路径及其理论意义: 社会中心论—国家中心论—政党中心论 (The Path of Institutional Change and Its Theoretical Significance: Social Centrism, State Centrism and Party Centrism), in Yang, Guangbin. 政治变迁中的国家与制度 (State and System in Political Change), Central Compilation & Translation Press, 2011, pp. 182–243. After rewriting, the “political party centralism” has more historical theory analysis.

“self-policing system”, managed themselves and maintained order by majority rule (Boorstin, 1987: 95).

British and American experience of national growth, naturally “grow” a set of theory, that is, “natural rights” for the assumption of the social contract. The “natural rights” is about whose right it is. Interpreting literally, it is the right of society, not of the state, and the central idea is “society” rather than “state”, so the “social contract” deriving from “natural rights” can be understood as “social centralism”, and the thought and social science theory deduced by the “social contract” is a kind of thought and theory of “social centralism”. The dominant force in Anglo-American institutional transition is the social force represented by the merchant class. This is not to say that the state is irrelevant, but according to the aforementioned institutional change, from the mercantile period to the economic liberalism period after the industrial revolution, a major role of the state seemed to be a “night watchman” for the interests of the merchant class or the bourgeois. Not to mention, in a new world like the United States, there emerged mature societies before the representative governments existed. In view of this history, classical ideas of natural rights were included in the theories of Roch, David Hume, and Smith during the classical period,² they believed that based on the belief of human nature and natural rights, through free competition, human society would tend to reach equilibrium, so society should be a kind of “free and spontaneous order”. In terms of theoretical background and ontology, neoclassicism is actually a new expression of classicism. Later, North, the representative of new institutional economics, especially emphasized the continuous institutional change in the way of institutional transformation, the role of “path dependence” and “common mental model”, etc., (North, 1994) and there are both the influence of classicism and the direct influence of neoclassicism, especially Hayek, and the theory cannot intrinsically be separated from the basic experience of Anglo-American institutional change.

Based on the early experiences of Britain and the United States, which were the first to be modernized, the social centralism basically played the role of “formatting”, conceptualization and standardization for political thoughts and social science theories, so that many thinkers and scholars living in contemporary Britain and the United States are subject to social centrism.

(2) State centralism

From the perspective of organizational approach, Germany and France have a high degree of comparability. We will see that both countries are “war-made”, so the main body of institutional change is the state bureaucracy, and the direction of institutional change is from top to bottom. More importantly, the French political system directly affects the German nation-state construction.

In contrast to the “spontaneous order” of the growth of the British state, France, as a modern country, was born in the French revolution, but the symbol of the formation

² Although David Hume classified natural rights as “custom” and criticized the natural rights hypothesis, he fundamentally agreed with the intention of modern natural theory and reached a conclusion similar to Roch’s. See also Strause, Leo, Joseph Cropsey, ed. 1993a. 政治哲学史 (Chinese version of *History of Political Philosophy*), volume 1, translated by Li Tianran and others. Shijiazhuang: 河北人民出版社 (Hebei People’s Publishing House), pp. 660–662.

of the French state was the “hundred years’ war” (1337–1453) between Britain and France. War made France, and a by-product of “war makes the state” is the absolute power of the state, the specific history of which need not to be discussed here.

As a modern nation-state, Germany has a shorter history than France. After 30 years of war, the 1648 Peace of Westphalia marked the birth of European nation states, but Germany at this time had 1,789 sovereign regimes. This political situation was bound to create a system of checkpoints to curb economic growth.

The French Revolution was a “critical moment of history” in the formation of Germany. We know that, in addition to the Frederick II of Prussia, who contributed to the statism tradition of the Prussian war, the formation of German national consciousness owes much to the intellectual promotion of German national culturalism after the French Revolution. In the “critical moment of history”, the intellectual conception of history in a latecomer country is generally colored with statism. The formation of the customs union under the influence of Liszt’s national political economy in 1834, for example, marked an important step towards the unification of Germany. In the end, Otto von Bismarck, who had come to power in a “constitutional dispute”, completed the reunification of Germany by war, and built Germany into a legally constitutional monarchy and a *de facto* monarchy-bureaucratic dictatorship, as well as a legal federalism and a *de facto* centralist dictatorship. The “nationality” created in the growth of the German nation-state must be embodied in the development of the country. It is well known that Germany’s industrial systems, such as the railways and modern enterprises, have developed under the auspices of the state, as has its educational system. The state is “unstoppable, completely occupying all fronts” (Crowley et al., 1999).

Compared with the great tension between French thought and practice, German history and thought have a high degree of correspondence. Similar to the situation in the UK, German history shapes German thought, and thought leads history. As a latecomer in the development order, German thinkers, like the Frederick II of Prussia, have embraced the role of the state, emphasizing the uniqueness of the national character and the development paths distinct from those of other nations, and the core conception of history, namely the conception of state, is supported by the anti-norm and anti-conceptualization of the German conception of history (Iggers, 2006: Chapter 1, Introduction). The libertarian Immanuel Kant, the founder of German political thought, had a very different idea of liberty from those of the British and the French, “the strength of the whole is the stronger nation, not the stronger individuals, and the whole is greater than the sum of its parts.” Immanuel Kant said. “Duty is more important than rights, and freedom is ultimately the freedom of the state” (Li Gongzhen, 2005: 39–40).

If Immanuel Kant had been so, then the conservative German intellectual world, from the philosopher Hegel to Leopold von Ranke, the founder of German history, to Max Weber later, all regarded the state itself as an end and emphasized the “power state”. Therefore, when the state is usually interpreted in terms of power politics and pursues its own supreme interests, the state itself is not considered as a “necessary evil”, but rather, promoting a higher moral purpose, as a “moral community”. From the point of view of German thinkers, freedom, law and cultural creativity can only

be guaranteed in a strong country. Therefore, the state is not purely a representative of power, but the institutional embodiment of morality (Iggers, 2006: 7).

The German statism theory, based on its own historical experience, has been called in the realm of thoughts the social science of "state centralism". In the 1980s, the "return to the state school" was, in effect, taking inspiration and resources from Weberian social sciences.

(3) Party centrism

The arrival of the modern state has a sequence. If Britain and the United States are the first wave of modern countries organized by commercial power, then France and Germany are the second wave of modern countries organized by bureaucracy. But for latecomers, even the bureaucracy, not to mention the commercial power, is powerless because the state has failed. Therefore, in order for these latecomers to organize, they must seek a new organizational force, that is, the political party. From the perspective of the history of comparative political development, the political parties organizing the state are mainly divided into class parties and national parties.

Soviet Russia is typically organized by political parties. If the 1905 revolution had shaken the system of state organization under the Tsar's autocratic government, the first world war had completely paralyzed it. Soon, the defeat of the war made a fortuitous event the fuse of the revolution. In March 1917, the Tsar could neither mobilize the army to maintain order nor dissolve the Duma. This meant that the Tsar had lost the means to assert his power and the government was paralysed. So, the Tsar's government collapsed in an unplanned revolution that no one could have foreseen. As soon as the revolution began, many of the Empire's administrative structures, including the police, collapsed one by one, and the provisional government formed during the revolution was still unable to provide effective administration. Russia began to descent into anarchy. From the summer of 1917, the question in Russia was no longer "who should rule", but "whether anyone could rule and whether order could be restored."

Lenin was prepared. Lenin had a theory of how to establish the party, how the party contacted the society and how the party carried out revolution. First, democratic centralism as the founding principle of the party. In his 1904 book, *One Step Forward, Two Steps Back*, Lenin criticized the opportunistic organizational line of the Mensheviks, pointing out that a Marxist political party was a part of the working class, it was an advanced, conscious and organized force of the working class, armed with Marxist theory; it was a whole organized by the proletariat in accordance with the principles of the democratic centralism, which needed a unified party constitution, a unified leadership, unified discipline and unified organizational principles. The Party is the highest form of organization of the proletariat and the leader of all mass organizations of the working class. The Party must maintain the closest contact with the masses. In the struggle for political power, the proletariat has no other weapon than organization. This book laid the organizational foundation of the Bolsheviks, answered the question of how to build the party, and is a guide to the building of the Marxist party.

Second, the relationship between the Party and society. In "'Left-Wing' Infantism in the Communist Movement", Lenin pointed out: "Everyone knows that the

masses are divided into classes; the masses and classes can be divided only when the vast majority, who are not generally distinguished by their social productive status, are opposed to those groups which hold a special position in social production; in most cases, at least in modern civilized countries, class is usually led by political parties; a political party is usually presided over by a relatively stable group composed of the most authoritative, influential, experienced people elected to the most important positions and called leaders." This is the famous "mass-class-political party-leader" theory of progressive relations, in which the masses and classes belong to the "social" category, and the "political party-leader" belongs to the category of the party.

Thirdly, the "indoctrination theory" and "initiative spirit" of the party's contact with the society. What is the relationship between the Party and society? In "What to Do" in 1902, Lenin put forward the famous "indoctrination theory": Scientific socialist ideas cannot arise in spontaneous labor movement, only when the progressive intellectuals in the bourgeois society have mastered the advanced world outlook and summed up the experience of the workers' revolutionary movement can they establish this kind of thought. It needs to instill this kind of thought in the labor movement. Since the bourgeois system of thought is much older than the socialist system of thought, it has been thoroughly processed and decorated, and has many means of dissemination, so it is easier to have an impact on the movement of workers. Therefore, Lenin put forward the "initiative spirit": the proletarian party must strengthen the initiative and action planning. Lenin also put forward "Initiative Spirit": The initiative spirit and action planning of the Proletarian Party must be strengthened. The essential condition for making the movements of the proletariat conscious, or for making their struggle a conscious struggle, is to strengthen the initiative and planning of the proletarian revolutionary party.

Finally, the "professional revolutionist" theory of how the Party revolutionizes. Lenin put forward the theory of "organization of professional revolutionaries". "Any revolutionary movement cannot be sustained without a stable and inheritable leadership organization," Lenin said. "The more the masses participate in the movement, the more urgently the revolutionary organizations are needed and should be consolidated." "Such organizations should be composed mainly of people whose occupation is revolutionary activities." The establishment of the organization of revolutionaries will not weaken but expand the scope and content of the activities of workers' mass organizations. For example, trade unions, workers' self-study groups, socialist groups and democratic groups can and should be spread throughout the country to strengthen ties with the working people and perform various functions to promote labor movement development, cultivating professional revolutionaries in the labor movement. Lenin proposed that revolutionary organizations should oppose the fragmentation of the movement, grasp the overall situation, and push forward the movement.

In Huntington's view, Lenin was "the big hand of a practical political scientist" who laid the theoretical foundation for the construction of political order. Huntington compares Lenin to Madison, the founding father of the United States: "Lenin dealt with classes, and Madison dealt with factions. While Madison found the basis of a political order based on the considerations of representative government system and the restriction of majority power in a vast republic, Lenin found the basis of his

political order based on the supremacy of the Party over all social power" (Hung, 2008: 277). Lenin's theory of political development "completes the most significant political innovation of the twentieth century". Under Lenin's leadership, "the most outstanding contribution of the communist movement to modern politics was not the dismantling and destruction of existing institutions, but the formation and innovation of new ones. The political function of communism is not to overthrow authority, but to fill the vacuum" (Huntington, 2008: 274). The Party as a source of authority is itself a symbol of legitimacy (Huntington, 2008: 69).

One of the first tasks of the Bolsheviks to fill the vacuum of authority was how to defend the regime and rebuild the state order, forming the institutional tradition of the party leading the army. And in the process of restoring order, there were two systems that were crucial to the organization of the new state: cadre appointment system and counterpart management system. During the civil war, the Russian Communist Party (Bolshevik) appointed a large number of leading cadres to the party, government, military, trade union and other organs at all levels. The cadre appointment system was the core political regulation for the party to realize its power and organize the country. The Party should not only control the cadres in important posts, but also directly manage political, economic, social and cultural affairs. In the Lenin period, Soviet Russia basically formed a political management system with no distinction between the Party and the government, and the politburo not only made policy, but directly carried it out, even trivia was discussed in the politburo. Stalin fully established the political system of substituting the Party for the government and nationalizing the Party. Stalin stressed that the Party should not only lead the country, but also "manage the country"; instead of "general" leadership, the Party should exercise "concrete and practical leadership". He believed that the party was in power and that Party cadres were also cadres of the state. "Party cadres are party commanders, and since our party is in power, they are also commanders of the state's leading organs" (Stalin, 1979). Stalin also proposed that party directives and slogans "are legally binding and should be implemented immediately" (Stalin, 1955). This theory of substituting the Party for the government was further implemented as a political system at the 17th National Congress of the Russian Communist Party (1934), that is, departments responsible for agricultural production were set up in the Party committees, and the management system of the Party vis-à-vis government departments was implemented, finally, the party was nationalized and a party-state system was formed. The Party not only leads and controls state organs through its counterpart management system, but also controls mass organizations such as trade unions through a similar system, making trade unions a "conveyor belt" connecting the Party and society, thus realizing the full range of social control. The core of realizing the counterpart management system is the party's cadre appointment system.

In this way, the Party's cadre appointment system, political commissar system and counterpart management system effectively organized the army, state organs and social forces, and formed a national system of organization more powerful than those at any time in Russian history, that is, a political party-state system, thus forming an unprecedented large state administrative organization. Both its strengths and its problems require specific historical analysis, but they are not the focus of the

discussion here. What I want to emphasize here is that it is the party state system that organized Russia effectively and transformed it from a backward agricultural country into a powerful developed country; it is also this system, and in particular, problems in it that led to the collapse of the Soviet Union and the failure of the state. For better or for worse, it is an inescapable fact that political parties are the leading force in modern nation-building.

Soviet Russia was the father of the party state. If Lenin created the new politics of the party-state, Stalin accomplished the task of “party-state”. Since then, huge backward countries such as China and India have been organized by class political parties, while many more developing countries have relied on nationalist parties to organize their own independence nation-building movements. But where is the theory that explains this “universal politics”? The reason probably lies in, first, in terms of the Western developed country, the political party is a social factor; therefore, the political party is necessarily a concept under the social centralism. As a result, although there are many studies on political parties, they mainly focus on the study of political party system in developed countries and less on the study of Russia and China, so the theories of political parties are either not applicable or have limited explanatory power. Second, in the countries of institutional change dominated by political parties, the discourse on political parties is more of a revolutionary theory, and the theory on the social constructive role of political parties is weak. In spite of this, the “party-centralism” in the institutional change can be seen from the study of the history of institutional change in these countries and the role of political parties in developing countries.

The nation-building history of non-Western countries determines the need for a political party-centrism that can go hand in hand with social centrism and state-centrism. The key points should at least include: the inevitability of political parties organizing state construction, what kind of political parties can successfully organize state construction, the legitimacy of political party politics, the relationship between political party system and modern state system construction, and the relationship between political party system and governance, as well as the issue of adaptive transformation of political parties.

Nation building by parties means that the path of the construction of the modern state has changed. In fact, both Anglo-American social centralism and Franco-German state centralism have the connection between tradition and modernity, that is, the new state comes on the basis of the traditional state which has never been interrupted, although “traditions” are different, one is the tradition of individual rights, and the other is the tradition of state power. However, the latecomers are basically the result of the traditional interruption, and countries based on traditional lines cannot continue and cannot automatically “grow” out of it, so it is necessary for new political power to restore order. Like Russia, China, which has experienced many state failures, ends up summoning the Chinese Communist Party to organize the country.

18.2 Organizing China: Why the Communist Party

As stated in the previous chapter, the most pressing question for China in the first half of the twentieth century was who would “fill the vacuum of authority”. Following the two crises of central-local relations and state-society relations, Sun Yat-sen’s Kuomintang initially wanted to “build the state by the party and govern the country by the party” according to the Leninism principle, but the KMT was essentially the same as the old warlords, going back to the old ways of the Beiyang Army, from the initially supposed loyalty to the party evolving into the loyalty to the individual, from the fact that the “principal” was greater than the “president” (acting President Li Zongren); it was clear that the patronizing and sheltering superior-subordinate relationship constructed by Chiang Kai-shek as President of the Whampoa Military Academy was not really different from that of the old warlords. Therefore, although the Kuomintang is also known as the “Leninist Party”, (Dickson, 1997) it was entirely formalistic. The essence of the Leninist Party is the role of organization and the seriousness of organizational discipline. In this way, the Kuomintang was woven by the relationship of personal patronage, which was not only close or distant relationship with the “headmaster”, but also division of the central army and the miscellaneous armies. Such a de facto rabble was certainly no match for the Chinese Communist Party, which was really organized on the basis of Lenin’s party building theory.

The Communist Party of China, founded in 1921 by a few intellectuals, was a branch of the third international (Comintern). Its organizational principle was, of course, democratic centralism, which was written into the Party Constitution at the Sixth Congress of the Communist Party of China. The Chinese Communist Party was focusing on the urban workers initially, but from the start of the Jinggang Mountains Struggle came the peasants, which was different from Lenin’s party. Therefore, how to organize the peasants, that is, how the intellectuals who built the Party dealt with the relationship with the peasants, was the key to the success or failure of the revolution, as well as the key to Mao Zedong’s theory of political development, and could be called political innovation.

(1) The principle of the Party commanding the gun

In September 1927, when the Autumn Harvest Uprising army was reorganized at the Sanwan village, Mao Zedong creatively proposed the principle that the party branch should be established in the company, and that a party representative system should be set up, with party groups in the platoon and party members in the squad, and party committees above the battalion and regiment levels, and the entire army was commanded by the front committee led by Mao Zedong, thus establishing the principle of “the Party commanding the gun”. Mao Zedong later acknowledged the important role played by the adjustment of the army and the Party’s organizational structure in “The Struggle in the Jinggang Mountains”, saying: “(Party) branch being established in the company is an important reason why the Red Army fights hard and does not break up.”

The principle of the Party commanding the gun was finally settled at the Gutian Congress in 1929. At the Gutian Congress, Mao Zedong presided over the drafting of "On Correcting Erroneous Ideas within the Party," which pointed out the manifestations, sources and correction methods of various non-proletarian thoughts in the Red Army, stressed the importance of strengthening the ideological and organizational construction of the Party, and indicated that the Red Army is an "armed group carrying out the political tasks of the revolution", and the absolute leadership of the Party over the army is the fundamental principle of the construction of the Red Army. It stipulated that in addition to fighting to destroy the enemy's military forces, the Red Army should also shoulder such important tasks as publicizing the masses, organizing the masses, arming the masses, helping the masses to establish a revolutionary regime and even establishing the organization of the Communist Party.

In this way, the prerequisite for the party to command the gun is the nature of the Party. We know that the main body of the proletarian party is the working class, but at that time the Party members were all peasants. How to answer the question of the proletarian party nature of the Communist Party? Mao Zedong's answer was "joining the Party in ideology", that is, backward farmers can also be converted into advanced proletariat in ideology. In this way, the nature of the Proletarian Party of the Communist Party with the peasants as the main body was logically argued.

The basis of the party's command of the gun was the masses, for which the Gutian Congress in fact developed what became known as the "Mass Line" as effective working method: propaganda, organizing, arming and helping the masses.

(2) Democratically founding the army

In the 1920s, the "jungle rule" prevailed in China, and warlords scuffled among themselves, so there were "soldiers and riffraff" from the old armies everywhere. How to transform the old army into a new army was a major institutional innovation. The building of an army on the principle of democracy was an unprecedented initiative, because the army had always been a strict hierarchical system, how could the principle of democratic equality be used? However, Mao Zedong accomplished this innovation in the "Sanwan reorganization". A democratic system of soldiers' committees was established in each company, equality between officers and soldiers and economic fairness were practiced, and the old mercenary relationship was broken down. Mao Zedong, in "The Struggle in the Jinggang Mountains", described the equality of officers and soldiers as follows: "It is hard for everyone. From the army commander to the cooks, they all eat a five-cent meal except for food. If two dimes, two dimes for all. If four dimes, four dimes for all. So the soldiers don't hold grudges against anyone." "After receiving political education, the soldiers of the Red Army would have acquired class consciousness, and common sense to distribute land, establish regimes and arm workers and peasants. They all know that they are fighting for themselves and the workers and peasants. Therefore, they do not complain in the hard struggle. In companies, battalions and regiments, there are soldiers' committees representing the interests of the soldiers and doing political work and civilian work." In this way, the Red Army became a melting pot to melt down the old army and forge a new one.

Most of the Red Army soldiers came from mercenary forces, but when they arrived in the Red Army they change their character. First, the Red Army abolishes the mercenary system, making the soldiers feel that they are fighting not for others but for themselves and the people.

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With so meagre material life and frequent fighting, the Red Army is able to sustain itself, which depends on the practice of democracy within the army in addition to the role of the Party. Officers do not beat soldiers, officers and soldiers are treated equally, soldiers enjoy the freedom to hold meetings and speak, the abolition of cumbersome etiquette, and open economy. The soldiers manage the food and still manage to save a little from the five cents a day for fuel, salt, firewood and vegetables, called “food tail”, which is about sixty or seventy dollars per person per day. The soldiers are satisfied with these methods. The new captured soldiers, in particular, feel that the Kuomintang Army and our Army are worlds apart. Although they feel that the material life of the Red Army is inferior to that of the White Army, their spirit is liberated. The same soldier, who was not brave yesterday in the enemy army, is brave today in the Red Army because of the influence of democracy. The Red Army is like a furnace. When the captives come, they melt immediately. China needs democracy not only for its people, but also for its military. The democratic system within the army will be an important weapon in the destruction of the feudal mercenary army. (Mao, 1991a: 63–65)

The democratic principle of equality between officers and men is the source of the fighting strength of the Communist army. Even on the Korean front, Qin Jiwei, then commander of the 38th army, recalled that the soldiers said he was corrupt because he was wearing a fur coat captured from the U. S. Army, and he had to take it off. The democratic principle of equality between officers and soldiers was really unprecedented. The most vivid case was “The Path of Zhu De Shouldering Grain” in Jinggang Mountains, where the commander-in-chief personally went down the mountains to shoulder grain for the soldiers. “Soldiers die for their confidants”, such type of army with equality between officers and soldiers had completely changed the old army’s warlord behavior of withholding military pay and drinking soldiers’ blood.

The democracy in the army and the “Mass Line” on which the army depended for its survival determine that the communist regime in the liberated areas must also be democratic.

(3) Building a regime democratically

At the time of its founding, the Chinese Communist Party decided to “establish the politics of labor and agriculture dictatorship.” The Chinese Communist Party had successively established the Chinese Soviet regime in central Soviet area, and implemented the system of workers, peasants and soldiers congress; in the Shaan-Gan-Ning Border Region, a “three-three system” regime was established, a Senate system was instituted, and in the liberated areas democratic coalition governments were established, and a Council of the People’s Deputies System was implemented.

Special mention should be made here of the “three-three system”.³ In his December 1939 article “Chinese Revolution and the Communist Party of China”,

³ The description of “three-three system” is taken from the master’s thesis of Wang Hongming, 毛泽东的政治发展理论研究 (On Mao Zedong’s Theory of Political Development) (Department of Political Science, Renmin University, 2016). This thesis is a “propositional composition”.

Mao Zedong reclassified all social classes, determined the class dynamics of the revolution according to the new class division, and thus putting forward the prospects and goals of the Communist revolution. In March 1940, through an analysis of the new class division, in "The Issue of Regimes in the Anti-Japanese Base Areas", Mao Zedong, raised the issue of regime construction under the "three-three system", and expounded the concrete meaning of the "three-three system"; "in the allocation of personnel, it should be stipulated that one-third are communists, one-third are non-party leftists and the no left and no right center make up a third" (Mao, 1991b: 742). And "all Chinese over the age of 18 who support resisting Japanese and democracy have the right to vote and to be elected, regardless of class, nationality, sex, religion, party affiliation or educational level" (Mao, 1991b: 743). The "three-three system" was gradually introduced through electoral campaigns in the border areas, with the Communists representing the proletariat and the poor peasants, the non-party left-wing progressives representing the petite bourgeoisie, and the centrist representing the middle bourgeoisie and the enlightened gentry, and the form is democratic centralism. "In 1941, 10,926 representatives of the Chinese Communist Party took only 2,801 seats, just over 25 percent, in most grass-roots township council elections in the border areas, and in most county councils, the Communist Party holds less than a third of the seats" (Selden, 2002: 165), and the Communist Party took concrete actions to ensure the successful implementation of the "three-three system", a set of administrative power network, and to increase the participation of non-party organizations in the border regions. At the same time, the Party strengthened the discipline and leadership of the Party members in the regime, ensuring that they not only carry out the party's policies in the government, but also maintain good relations of cooperation with non-party members. "Three-three Systems" showed that the CPC had the ability to share power and work together with the third force, thus promoting the development of the anti-Japan national united front and expanding the power of the CPC, which allowed the Communists to take root in the harsh conditions of the Shaan-Gan-Ning Border Region.

As the product of the organizational line of the third force organized by the Party under the United Front policy, the implementation of the "three-three system" was not to abandon the leadership of the Party, "the 'three-three system' must ensure that the Communists take the lead in the regime," Mao Zedong said. On the contrary, that classes were drawn into the political process to negotiate decisions was more helpful for the Communist Party to directly and openly communicate with the masses, to adjust the party's policies and to innovate the party's working methods. In the actual political operation of the Shaan-Gan-Ning Border Region regime, the "three-three system" and the "democratic centralism system" were combined so that the border regime could organize the masses independently and could also mobilize the masses to carry out the United Front Line in the Anti-Japan War, realize the goal of "arousing the masses to work together" and actively organize and mobilize the masses for political participation.

The Party's three-dimensional practice of the Party commanding the gun, building an army democratically and building a regime democratically had enabled the Communist Party not only to gain a firm foothold during the war of resistance,

Table 18.1 The size of the Eighth Route Army and the New Fourth Army during the war

Years	Eighth Route Army	New Fourth Army	Total
1937	80,000	12,000	92,000
1938	156,700	25,000	181,000
1939	270,000	50,000	320,000
1940	400,000	100,000	500,000
1941	305,000	135,000	440,000
1942	340,000	110,960	450,960
1943	339,000	125,892	464,892
1944	320,800	153,676	474,476
1945.4	614,000	296,000	910,000

Source Fairbank and Feuerwerker. 1994. 剑桥中华民国史 (1912–1949)》(下卷) (Chinese version of *The Cambridge History of China*, vol. 12: Republican China, 1912–1949, part 2), translated by Liu Jingkun and others. Beijing: China Social Sciences Press, p. 619

but also to expand its base areas considerably. The Communist army expanded from 92,000 at the outbreak of the war of resistance to 910,000, and the militias that were not disengaged from agriculture in the countryside had grown to more than 2.2 million (Mao, 1991c: 1038–1039), and the population in the base areas reached nearly 100 million, accounting for one quarter of the country's population. This was already a de facto regime, which laid a solid foundation for the seizure of state power throughout the country (see Table 18.1).

During both the war of resistance and the war of liberation, fighting, though a top priority, was not purely militaristic. The Party led the army, thus ensuring the overall action of the various elements, such as Deng Xiaoping, who came from the Central Plain Field Army, served as secretary of the “General Command Committee of the Front Line” during the Huaihai Campaign, coordinating the unified operations of the East China Field Army and the Central Plain Field Army. This was in sharp contrast to the “beehive” structure of the Kuomintang Army.

In the process of rebuilding state order, the Communist Party naturally transferred the relationship between the Party and the army formed during the war years to the relationship between the Party and the government, and formed a system of state power organizations with the Party as the core, and the key words are the party committee system, the party organization system, the system of party control over cadres and management through specialized department (Yang & Guangbin, 2003b). This had thoroughly organized the once scattered China.

In Huntington's view, “One of the most remarkable political achievements of the mid-twentieth century was the establishment in 1949 of China's first truly capable government after a century of turmoil” (Huntington, 2008: 280). But a decade of “continuing the revolution under the dictatorship of the proletariat” had undermined its ability to govern China. Naturally, the Chinese people and the CPC, who are full of practical reason, did not go far on the road of “continuing the revolution”.

18.3 The Nature of Chinese Revolution: People Orientation of Party Centralism

The first thing to note is that party centrism is a set of principles for organizing the state, and it is oriented toward people; otherwise, it would be difficult to organize the state and govern it along the line of party centrism without losing people orientation. It is interesting to note that the revolutionary nature of party centralism, with its popular character, is not only a proletarian democratic revolution of the New Democracy, but also a revolution in modern nation building.

In the course of the Chinese revolution, the role of political parties as the creators of legitimacy politics has been fully reflected, just as the so-called “no communist party, no new China.” And the people’s subjectivity in the course of the revolution determines that party centralism is the only way to practice people’s democracy, or that people’s democracy can only be realized through the organization of the political parties, so as to reflect the identity of party centralism and people’s democracy. And the result of the revolution possesses not only the people’s democratic nature of the emancipation of workers and peasants, but also the significance of state building for the new nation-state. Thus, Mao Zedong’s Chinese revolution has both the attributes of a people’s democratic revolution like the Soviet Union and the attributes of an independent, nation building nationalist revolution like India, a mixture of the two, with characters of both the people and nation.

The significance of the modern state building of the Chinese revolution lies in the fact that, since the 1840, China had been in a state of semi-colony and semi-feudal society, and the country was torn asunder under the Beiyang government, and Chiang Kai-shek’s “territory” of the Nanking national government was mainly confined to the Yangtze Plain Basin, based on the Jiangsu and Zhejiang consortia, and many warlords actually had their own territories. The “Central Plain war” was also only a formal unification, then, taking advantage of the “encirclement and suppression” of the Red Army, and the “central army” had infiltrated everywhere; but there were still “Ma bandits” Ma Bufang entrenched in Xinjiang, with numerous factions within the Party. It was the weak penetration of state power that led to the failure of the Chiang Kai-shek administration’s two land reforms, which provided an opportunity for the Red Army to “fight the rich and divide the land”. So, in his later years, Liang Shuming said that the greatest achievement of the Kuomintang was making the Communist Party successful. The Communist Revolution has built a truly modern state in the mainland, with state power permeating every corner of society through party organizations.

In other words, the Communist Party has completed the building of the state by the Party, organized the country, provided public order and public authority, and the Communist Party itself has become the source of legitimate politics. For many non-Western countries, the question of how to organize the state is indeed Huntington’s biggest realist concern. To that end, Huntington suggests that the developing countries that need to be institutionalized should study Moscow and Beijing, not Washington. The Third Democracy Wave seemed to cloud Huntington’s judgment. But

what happens after the transition, in both authoritarian countries and Communist developing countries? They still face the challenge of “the ability” or “the degree” of governing, because “the state” is not so strong as Weber says, but a “weak state” that is fragmented, while the “societies” of tribes, feudalism, warlords and other oligarchies are very strong. Weber means “a strong state” in concept which meets strong challenge in practice, and even practical negation (Migdale, 2012).

The lesson from the experience of China and countless developing countries is that mass democracy as modern politics is important, but if modern politics is divorced from traditional politics such as state authority and political institutionalization, the politics of modernity is like a runaway wild horse, which is difficult to control, losing its direction and falling into the abyss. Many developing countries are indeed stuck in the mud and unable to extricate themselves, and the “strong state” they are looking forward to is like painting a cake to satisfy their hunger.

Mass democracy deals not only with the relationship between modernity and tradition, but also with another kind of modern politics called party politics in this book. Again in Huntington’s view, the other institutions of the modern political system, such as the bureaucracy, are the grafting or continuation of the traditional political system in the new era, but the party is the unique system of the modern political system. Modern politics needs the mass democracy namely the mass participation politics, and political party is the organizational platform of mass participation, so political party as an organization is the product of modern politics. Political parties have existed in Britain for a long time, but the role of political parties in organization and organizing political power began in the United States in 1800, when political parties were used to organize elections and mobilize, rather than being confined to debates between different political parties in parliament in the past. From then on, the status politics changed into the viewpoint politics. A hundred years later, in 1900, there were political parties almost all over the world (Huntington, 2008: 68–69, 104–105). At this time, the role of political parties also began to change, evolving into the political parties that provide order, and organize a state, like the Bolsheviks, the Communist Party of China. Unlike political parties in Britain and the United States, which operate within established political frameworks (legitimacy comes from the political system), the founding of the Communist Party of China is itself a source of legitimacy, or provides the legitimacy. This means that although both parties are called political parties, “this party” is not “the other party”. This is the nature of the party given by the revolution itself.

The political party itself is the foundation of the state power legitimacy, and the source of legitimacy lies in the popular nature, that is, the popular nature on which the political party organization depends, so as to achieve the unity of the party nature and the popular nature. What Mao Zedong called “the people and the army are the basis of victory”, and the “emotion between the army and the people” advocated by the Communist Party, is actually the “fish-water relationship” between the Party and the people.

First, the popular nature of the revolutionary subject. As early as the 1920s, during the Great Revolution, Mao Zedong pointed out in the “Report on An Investigation of the Peasant Movement in Hunan” the importance of organizing the peasants and

how to organize them through the peasant associations. When the war of resistance was about to be won, in his report to the seventh congress of CPC, "On the Coalition Government", Mao Zedong systematically summed up the victory of the Chinese revolution as a victory for the people, and throughout the speech he talked about the people orientation of the Chinese revolution, and thus, full of confidence in the imminent acquisition of national power, and the key to the Communist Party's victory was to "serve the people".

Mao Zedong also put forward the concept of "people's war", and passionately pointed out, "people, only people, are the driving forces for creating of world history". And the Communist Party's "army is powerful because all those who join it have self-discipline; they fight not for the selfish interests of a few or a narrow clique, but for the interests of the masses, for the interests of the whole nation, to unite and fight. To stand closely with the Chinese people and serve them wholeheartedly is the sole purpose of this army."

Second, the popular nature of the revolutionary process (how to organize the people). Mao Zedong recognized in the 1920s that the Chinese revolution could only succeed if farmers were organized. In his "National Revolution and the Peasant Movement: Preface to the Series on Peasant Issues", written on September 1, 1926, Mao Zedong pointed out that: "The issue of the peasants is the central issue of the national revolution. If the peasants do not get up and join and support the national revolution, the national revolution will not succeed" (Mao, 1993a: 37). In particular, he stressed that once the peasant revolt arose and the revolutionary forces of the peasants were consolidated, no matter how great the forces were, they could not be suppressed, and that it was necessary to guide the peasants to organize themselves to fight against the local tyrants and evil gentry. In the "Report on an Investigation of the Peasant Movement in Hunan", Mao Zedong emphasized: "All revolutionary comrades should know that the national revolution needs a major rural change" (Mao, 1991f: 16), that is, to break the domination of political power, clan power and theocratic power within the traditional rural power network, and to organize the peasants through the peasant associations, forming a new power structure with Leninism as its main power base.

How to integrate the farmers? Mao Zedong coined the term "political mobilization" in his 1938 *On Protracted War*. According to Mao Zedong, a war can be won first and foremost by political mobilization, which means informing the army and the people of the political aims of the war and adopting a political program that sets out the steps and policies to that end, and how to mobilize depends on different means of mobilization, and in connection with the development of the war and the lives of soldiers, civilians, and often carry out regular and sustained political mobilization (Mao, 1991d: 481). He further pointed out that, "the people are the basis of victory, and the issue of political mobilization of the people and the military is too important. The Anti-Japan National United Front is the United Front of the whole army and the whole people... mobilizing the whole army and the whole people to participate in the United Front is the fundamental purpose of launching the Anti-Japan National United Front" (Mao, 1991d: 513).

How to “politically mobilize” the peasants? Mao Zedong believed that the way to mobilize the masses should not be bureaucratic. What every comrade should like is the popular way, that is, the way that every worker and peasant likes and accepts (Mao, 1991e: 125).

In the base areas, the CPC attaches special importance to political mobilization, which took “complaining” education as the core content, and took “touching the mental anguish, digging up source of suffering and pouring out bitterness” as the main method to arouse and mobilize the emotions of the lower classes, to raise the class consciousness and identification of the peasant masses, to realize the class oppression of the exploiting class on the broad masses of the people, and to transform this hatred into revolutionary action. The outline of the party’s propaganda and agitation work, adopted by the Central Publicity Department of the Communist Party of China in 1941, defined the tasks, scope and principles of the Party’s political mobilization and propaganda, and emphasized the importance of the working methods of propaganda and agitation, political mobilization should be carried out from the following aspects: Grasping the facts that are familiar to the general public, grasping the facts that are most relevant, pressing and touching the general public, making speeches vivid, emotional, provocative, and short (Central Archives, 1986: 681–691). Propaganda in the Chinese Soviet Areas was close to the reality of the people’s lives, and the revolutionary enthusiasm of the people was aroused by political means such as shouting slogans, singing red songs and marking slogans, which was close to the people’s lives, and made “the idea of supporting the Soviet and the Communist Party the pet phrase of almost everyone”. In this way, the work of propaganda and mobilization had truly reached the masses.

The Communist Party was able to do this, which is, after all, a form of modern practice of people orientation—the Mass Line. “Another remarkable sign that we communists are different from any other political party is that we have the closest connection with the overwhelming majority of the people and serve the people heart and soul” (Mao, 1991c: 1094). On June 1, 1943, Mao Zedong wrote “Some Questions about Leadership” for the Central Committee of the Communist Party of China, which was a brilliant treatise on the Mass Line. He held that “in all the practical work of our party, all correct leadership must come from the masses and go to them. That is to say, to gather the opinions of the masses (scattered and unsystematic opinions) together (opinions that have been studied and converted into concentrated and systematic opinions), to go among the masses to make propaganda and explanations... to make the masses carry them out in action, and to test the correctness of these opinions in mass action. Then we will gather up the masses and persist among them. This endless cycle is more correct, more vivid, and more abundant each time. This is Marxist epistemology” (Mao, 1991g: 899).

Finally, the popular nature of the outcome of the revolution. The nationalist revolution dealt mainly with the issue of the establishment of an independent state, but it did not touch the existing social structure and property relations, especially the land system. The Communist Party’s “Land Reform”, (which included the removal of ancestral halls and the burning of land titles) actually liberated people, broke down centuries of inequality, and for the first time the peasants made their own decisions

as protagonists. In the “Current Situation and Our Task”, Mao Zedong pointed out the aims and methods of Rural Land Reform: “In the eradication of feudal and semi-feudal exploitation of the land system, and under the principle of the land system in which the cultivators enjoy their own land, the land was distributed equally according to the population.....In order to carry out land reform resolutely and thoroughly, in rural areas, not only must the peasant associations of broadest mass, including hired hands, poor farmers and middle peasants and their elected committees, be organized as a legitimate authority to carry out land reform, the Poor Peasant League, on the other hand, should be the backbone of all rural struggles. Our policy is to rely on the poor peasants, firmly ally with the middle peasants and eliminate the feudal and semi-feudal system of exploitation of the landlord class and the old-style rich peasants” (Mao, 1991h: 1250).

In rural areas, people orientation is not only reflected in land reform, it is also embodied in women’s liberation of gender equality, eliminating illiteracy and universalize education, the establishment of public health care systems (such as “barefoot doctor”), the construction of water facilities to enable farmers to withstand natural disasters (floods and drought), and so on, all this has made China’s life expectancy far higher than that of other developing countries, and its agricultural production is unmatched by other developing countries. All this has demonstrated the greatness of people orientation. It is also because of this, gender equality and universal education to cultivate a healthy workforce, have provided a continuous “demographic dividend” after the reform and opening-up. This is the *de facto* consistency of the 30 years before and after the reform, which is so basic that it is easy to forget or to be ignored. Nobel laureate Amartya Sen who, when he looked at his native India, could not help but exclaimed over the great cause laid down by China before its reform and opening-up. He also noted the role of the industrial system established in the first 30 years in the rapid development following the reform and opening-up, as well as the shared development brought about by the infiltration of state power into society (Dreze & Sen, 2006).

In short, the main forces of the revolution organized by the CPC, the ideas and methods of organizing peasants in the course of the revolution, and the people-oriented nature of the revolutionary achievements mean that the new democratic revolution as People’s democracy is actually the practice of a kind of new people-based thought. The origin and development of people-oriented thought, up to Sun Yat-sen, was only an idea, not a practical form of this idea. Mao Zedong’s Mass Line gave the people-oriented thought its first institutional mechanism. The path of party centralism that was taken by the Chinese revolution and the founding of the country not only has the nature of the party’s own source of legitimacy (state construction), but also includes the people-oriented thought pursued by the political party to save the country and the practical system resulting from it—the Mass Line. All of this means that the Chinese Communist Party is a new kind of political party, completely different from the Western parties that compete for power by election.

The Communist revolution, which originated in Leninism, deserves a more theoretical summary. The class Lenin faced was the working class that came to power under the circumstances of state failure, while Mao Zedong faced the peasant (class)

and grew up in the red separation under the circumstances that the ruling class could still rule, which meant that the Chinese revolution was more difficult than that of the Russian. Chinese farmers are also essentially part of what Marxism calls the “sack of potatoes” of French farmers, the most difficult to organize. The peasant class was more difficult to organize than the working class. Chinese peasants were scattered, atomized and based on family ethics. It was impossible to get them to join and support the revolution without a whole set of theories and practices. Therefore, the same organizers (political parties), the same methods (class analysis), but the Chinese revolution and the Russian revolution were still very different, mainly organized objects (workers or peasants) were different. Huntington’s description of Lenin also applies to Mao Zedong: the grand gesture of a pragmatist political scientist (In fact, it should be translated as “masters of pragmatist political science.”—Author’s note).

It is the difference of political foundation that determines the degree of legitimacy of the two parties. In a sense, Lenin did not so much organize the working class as he organized a powerful political party in a country that had lost the first world war, which is a bit like “a pie drops from the sky”. Thus, the foundation of the Party in the society and the army is not as solid as that of the CPC. The Communist Party of China took the road of “armed separation of workers and peasants”. From Jinggang Mountains to Yan’an and then to Xibaipo, it was an arduous journey of “65,000 Li Long March”, a process that lasted for 22 years, and CPC completely organized the countryside. So, the CPC regime has grown from the bottom up, not dropped from the sky after the state failure. History matters. This history makes the CPC more able to withstand the test of wind and rain, which explains in terms of historical context why the Soviet Union and Eastern Europe collapsed in the twentieth century, while the Chinese Communist Party not only stood firm, but also rose against the tide.

Chapter 19

On the Constitutional Expression of “People’s Democracy”



The constitutional interpretation of people’s democracy can be traced back to the Yan’an period of the Communist Party of China, which was fully mature politically and theoretically at that time, and the state building strategy formed during the Yan’an period went directly into the first constitution of New China. The first constitution of New China was amended many times in 1975, 1978 and 1982, in which the expression of “people’s democracy” concerning political path or state system changed with the times. We believe that the best formulation is to go back to the “people’s democracy” formulation of the 1954 constitution.

19.1 “Political Maturity” in Yan’an Period

“Political maturity” was the concept of the German political sociologist Weber. The “political maturity” of the CPC is mainly reflected in the fact that both its theory and political path can answer and solve the problems in the revolution and even the direction of the founding of the country, and it is embodied in the epistemology on how to understand China, what kind of state to build (state system or political path) and how to organize political power (regime). In 1940, in the “New Democracy”, the “right direction of the founding of the country” began to be designed, and practice has proved that the political design of this period was politically mature enough. The reason was that after arriving in Yan’an, there were not many wars, and Mao Zedong and others had enough time to concentrate on their studies, in philosophy (“On Contradiction”, “On Practice”), in strategy (“On Protracted War”, “On the New Stage”), in history (“On How to Study the History of the Communist Party of China”), and in politics or state studies (“On the New Democracy”, “On the Coalition Government”), made the achievement that became the “tradition” of thought domains or disciplines, and and was difficult for posterity to reach. These achievements indicated that CPC had matured politically and theoretically, and its theory of state had directly become the constitution text of the New China. The Sixth Plenary

Session of the Sixth Central Committee of the Communist Party of China, held from September to November 1938, marked the political maturity, ideological maturity and theoretical maturity of the Party. According to the 17-year revolutionary practice in the struggle of the Communist Party of China and Mao Zedong's political report "On the New Stage", the concept of "seek truth from facts" was used for the first time, putting forward the learning method of combining theory with practice, so as to treat Marxism as being universally applicable with the attitude of seek truth from facts, and it was the first time to put forward the task of "sinicization of Marxism", and to point out dogmatism, formulism and mechanism are the fierce enemies of Marxism, advocating "Chinese style and Chinese manner". In his report on the workers' movement, Zhang Hao put forward "the nationalization, sinicization and popularization of the working methods". In his report on organizational issues, Zhang Wentian called for "the sinicization of organizational work"; the meeting stressed that "we should insist on ensuring the political and organizational independence of the Communist Party itself," and keep an open door for activists in the fields of industry, agriculture, business and education, so that the Communist Party could become a "great mass party". The Sixth Plenary Session of the Sixth Central Committee also crystallized the democratic centralism principle, which can be described as "the party system": "(1) individuals are subordinate to the organization; (2) the minority is subordinate to the majority; (3) subordinates are subordinate to their superiors; and (4) the whole Party is subordinate to the Central Committee. These are the concrete implementation of the party's democratic centralism, and whoever destroys them destroys the party's democratic centralism and greatly damages the party's unity and solidarity and the revolutionary struggle" (Documentation Research Office of the CPC Central Committee and Central Archives, 2011: 645–646). All this meant that the Party was already a powerful and autonomous organization, and the Comintern, which was leading it at the time, praised Mao Zedong as "one of the leaders and organizers of the Communist Party of China" and "a military strategist", "one of the outstanding leaders of the Chinese Communist Party", "the indomitable leader and national hero of the people" (Huang Yunsheng, 2004).

What exactly is "China"? How to study China? This is the basic measure of "political maturity". If we cannot even grasp the nature of China, how can we carry out the revolution? How can we build a nation?

"Chinese epistemology" is about how to understand China, how to study China's philosophical issues, different theories giving different answers, and based on different interests, people having different judgments. After Chiang Kai-shek had returned from his study tour in Moscow, he began to abandon the new Three Principles of the People of "allying with Russia, allying with the Communist Party, helping the peasants and workers" and to attach himself to the power of the Chaebol. He thought that the bourgeoisie was the power to be relied on, capitalism was the future of China, not class struggle. He put it this way:

China's modern industries are not developed, and class distinctions are not obvious. If we are forced to say that there are classes in China, they are just rough embryonic forms of class. Now that class antagonism is not obvious, naturally this is not conflict in class interests. Since there is no great conflict, there is no need to subvert other classes for the benefit of

one class. Nor is it possible to bring down many classes for the benefit of a single class. Therefore, we should eliminate the class distinction on the premise of the interests of the whole society, not on the premise of the interests of the class, and promote the division of society. This shows that the Communist Party's class revolution is not suitable for China. Whether it is said to overthrow imperialism or to liberate the peasants and workers, China cannot adopt class struggle. (Chiang, 1984)

For Mao Zedong, from the “Report on an Investigation of the Peasant Movement in Hunan” to the Yan’an period, he firmly believed that the basic issue of the Chinese revolution was the issue of the peasants, and in the 1940 “On the New Democracy”, Mao Zedong used the words of the “authoritative figure” Stalin to argue for his view of the revolutionary nature of China:

The Three Principles of the People of the revolution, the new Three Principles of the People, or the true Three Principles of the People, must be the Three Principles of the People of the peasant-worker policy. Do not want the peasant-worker policy, do not support the peasants and workers in good faith, and do not implement the “arouse the people” in the “Prime Minister's Will”, that is, prepare for the failure of the revolution, that is, prepare for our own failure. “The so-called national issue is essentially the issue of the peasants,” Stalin said. This is to say, China's revolution is in essence a peasant revolution, and the present resistance to Japan is in essence a peasant's resistance to Japan. The politics of the New Democracy, in essence, is to empower farmers. The new Three Principles of the People, the true Three Principles of the People, is in essence peasant revolutionism. Mass culture, in essence, is to enhance the culture of farmers. The Anti-Japan War is essentially a peasant war. It is the time for the “going uphill doctrine” by now; we have meetings, work, classes, newspapers, books, plays that are all on the hill, in essence are for the farmers. Everything about the war of resistance against Japan, everything concerning life, was essentially given by the peasants. To say “essentially” means, basically, not to ignore the rest, as Stalin himself explained. It is common knowledge among primary school students that 80% of China's population are farmers. Therefore, the issue of the peasants has become the basic issue of the Chinese revolution. The strength of the peasants is the main strength of the Chinese revolution. Besides the peasants, the second part of the Chinese population consists of the workers. (Mao, 1991i: 691–692)

In “On the Coalition Government” five years later, Mao Zedong pointed out that the Kuomintang and the Communist Party, their “bipartisan debate, by its social nature, is essentially about rural relation”, while Mao Zedong's view of the peasantry is:

Peasant – A forebear of the Chinese worker. Tens of millions of farmers are expected to move into the cities and factories. If China needs to build a strong national industry, building a lot of modern big cities, there will be a long process of changing the rural population into the urban population.

Peasants – are the mainstay of China's industrial market. Only they can supply the most abundant food and raw materials, and absorb the largest amount of industrial products.

Peasants – A source of Chinese military power. Soldiers are peasants in uniform. They are the sworn enemies of the Japanese invaders.

Peasants – are the main force of China's democratic politics at this stage. China's Democrats could do nothing without the help of its three hundred and sixty million peasants.

Peasants – are the main object of the current Chinese cultural movement. If the so-called eradication of illiteracy, the so-called universal education, the so-called popular literature and art, and the so-called national health care have left more than three hundred and sixty million peasants, isn't that a lot of empty talk? (Mao, 1991c: 1077–1078)

While talking about “where does China go” in “On the New Democracy”, Mao Zedong put it this way: “There is only one truth, and whoever discovers it does not rely on subjective exaggeration but on objective practice, and only the revolutionary practice of millions of people is the yardstick for testing the truth.” He firmly believed that the true or false question of China depended on the people’s revolutionary practice to answer. In “On the Coalition Government”, he made it clear that the work concerning peasants was the fundamental criterion for evaluating the success or failure of political parties: “In the final analysis, whether or not the policies and practices of all the political parties in China have played a good or bad, and a big or small role among the Chinese people depends on whether or not they have contributed to the development of the productive forces of the Chinese people and the extent to which they have helped, whether they have constrained the productive forces or liberated them.” The main body of the “Chinese People” here is the peasants. Therefore, Mao Zedong demanded: “China’s vast revolutionary intellectuals should be aware of the need to combine themselves with the peasants. The farmers need them and are waiting for their help. They should go to the countryside with enthusiasm, take off their school clothes, put on their coarse cloth clothes, and do whatever they can to understand the peasants’ needs and help them become aware and organized, in order to complete one of the most important tasks of the Chinese democratic revolution, that is to fight for the democratic revolution in the countryside.”

Different perceptions of the nature of Chinese society led to the inevitable failure of the National Government’s two land reforms, while the government was keen to create a “golden decade”, that is, to develop national industry and commerce, and to support a cultural aristocracy. The policy of the Communist Party was bound to be “fighting the local tycoons, divide the land”, and to organize the Chinese peasants by the unprecedented method of “political mobilization”, forming “the emotion between army and the people like fish and water”. An army can be defeated, but the “organized people” cannot be defeated. The victory of the Huaihai Campaign, Chen Yi said with emotion, was wheeled out by the peasants.

How such a “peasant China” should be studied? As mentioned above, “On the New Stage” in 1938 put forward for the first time “sinicization of Marxism” and “Chinese style and Chinese manner”. Then, how to form the learning of “Chinese style”? Mao Zedong’s exposition on how to study the “history of CPC” in his 1942 essay “How to Study the History of the Communist Party” applies equally to how to study China. Mao Zedong came up with a colloquial phrase—“the method of ancient, modern, Chinese, and foreign”: “It is to make clear the time and space for the occurrence of the problem studied, and to study the problem as a historical process under certain historical conditions. The so-called ‘ancient and modern’ means the development of history, and the so-called ‘Chinese and foreign’ means China and foreign countries, as well as one side and the other.” This is in fact what is often said today comparative historical analysis, belonging to a methodology. Behind the

methodology is epistemology, which is a problem of standpoint and a fundamental problem with the nature of ontology. Mao Zedong’s epistemology is typical of the “China-centered theory” of the “sinicization of Marxism”:

To study the history of the Chinese Communist Party, we should focus on China and sit your ass on China. We must also study capitalism and socialism in the world, but the relationship with the study of the history of the Chinese Communist Party must be clarified, that is, it depends on which side your ass is on, it would not be studying the history of the Communist Party of China if we were to sit completely on the foreign side. If we want to study China, we should take China as the center, to sit your ass on China to study the world’s things. Some of our comrades have the idiosyncrasy of focusing on foreign countries, like a gramophone, mechanically devouring foreign materials and bringing them to China, without studying the characteristics of China. We cannot solve China’s problems by copying things from other countries without studying China’s characteristics. (Mao, 1993b: 407)

While establishing the “China-centered theory”, Mao Zedong put special emphasis on cultural self-confidence and serving oneself by inclusiveness, “China should absorb a lot of foreign progressive cultures to feed its own culture, which has not been done enough in the past. These are not only the current socialist culture and New Democracy culture, but also foreign ancient cultures, such as those of the enlightenment era of various capitalist countries, and everything that we can use today should be absorbed” (Mao, 1991i: 706–707). Dogmatism from two sides should be rejected in this process. “The idea of ‘wholesale Westernization’ is a wrong viewpoint. In the past, China has suffered a great loss from absorbing foreign things in a way of formalism. The same is true of the application of Marxism in China by the Chinese Communists. The universal truth of Marxism must be fully and properly unified with the concrete practice of the Chinese revolution, that is, combined with the characteristics of the nation, and only through certain national form can it be useful, and it must never be applied subjectively and in a formulaic way. The formula Marxists, who are only joking about Marxism and the Chinese revolution, have no place in the ranks of the Chinese revolution. Chinese culture should have its own form, which is the national form” (Mao, 1991i: 707).

In terms of “national form”, there is an issue of how to deal with our own history. Mao Zedong pointed out: “In China’s long feudal society, a splendid ancient culture was created. Clearing up the development process of ancient culture, removing its feudal dross and absorbing the essence of its democratic nature are the necessary conditions for developing a new national culture and raising national self-confidence; however, we must not be inclusive without criticism. All the rottenness of the ancient ruling class must be distinguished from the superior culture of the ancient people, which is more or less democratic and revolutionary. The current new politics and new economy in China have developed from the old politics and old economy in ancient times, and the current new culture in China has also developed from the old culture in ancient times. Therefore, we must respect our own history and never cut it off” (毛泽东, 1991i: 707–708). In his political report to the Sixth Plenary Session of the Sixth Central Committee of CPC, Mao Zedong said: “Our great nation has a history of thousands of years, with her laws of development, her national characteristics,

and her numerous treasures. Today's China is a development of historical China. We Marxists should not cut off history. From Confucius to Sun Yat-sen, we should sum up and inherit a precious heritage" (Documentation Research Office of the CPC Central Committee and Central Archives, 2011: 651).

(1) The thought of state system. Mao Zedong's understanding of the nature of Chinese society determined that the nature of the revolution was New Democracy, that is, a democratic revolution with the alliance of workers and peasants as its main body, rather than Sun Yat-sen's old democratic revolution with the bourgeoisie as its main body. The judgment of the nature of the revolution determines the issue of which class is to be the object of the revolution, i.e., the "state system" as Mao Zedong called it.

It is a Chinese invention to separate the "state system" from the "political system" of Western learning. In ancient China, "state system" was equivalent to "polity", "state dignity", "state style", etc. After the introduction of Western learning, Liang Qichao and others defined "state system" as "the ownership of sovereignty", then followed the theories of monarchy and republic (Wang Hongbin, 2014). There has always been a theory of government in Western political thought, such as the one-man monarchy of the Aristotle, the aristocracy of the minority, and the republic (democracy) of the majority, and how these forms of government are organized (how they govern). "Who governs" and "how to govern" are unified as polity, which confuses the nature of politics. In the later evolution of Western political ideology, the separation of powers of "how to govern", the presidential system and the parliamentary system no longer played an important role in the political system, but only "who shall rule" is discussed, and "who shall rule" is referred to as the political system. (Zeng Yi, 2015) According to Mao Zedong's analysis, this is masking the political nature of who shall rule. To speak only of the regime under the guise of "who shall rule" is to easily substitute the essentialism for the formalism, and to think of oneself as the master or the dominant class when one has some formal rights, such as the right to a competitive vote, which is utterly narcissist.

Along the lines of state system and polity in Chinese political science, in *On the New Democracy*, Mao Zedong pointed directly to the truth of "state": "The issue of the state system has not been resolved for decades since the end of the Qing Dynasty. In fact, it refers only to the status of various social classes in the country. The bourgeoisie always conceals this class status and uses the term 'nationals' to achieve the reality of its dictatorship by one class. This concealment is of no interest to the revolutionary people and should therefore be clearly indicated" (Mao, 1991i: 676).

This is Mao Zedong's contribution to the theory of the state system, while the previous divisions remained in the Aristotle's division by the number of rulers, which obscured the political substance of class rule, and on the basis of class analysis, Mao Zedong raised the fundamental issue of which class was dominant. This should not be ignored by Chinese political science.

The nature of the state system comes from the contrast of class power. Then what was the class situation in China? Mao Zedong pointed out that the Empire of Japan "will definitely attack China and will definitely want to turn China into a

colony, which will cut off China’s road of establishing bourgeois dictatorship and developing national capitalism”. By this time Mao Zedong had seen the dawn of the victory of the Chinese revolution, and he firmly believed that the new state could not be a bourgeois republic, but a proletarian New Democracy, because “the Chinese proletariat, the peasants, the intellectuals and other petite bourgeoisie are the basic forces that determine the destiny of the country. These classes have either become awakened or are becoming awakened, and they are bound to become an essential part of the state and political structure of the Democratic Republic of China, with the proletariat as the leading power. The Democratic Republic of China to be established now can only be a democratic republic under the joint dictatorship of all the anti-imperialist and anti-feudal people under the leadership of the proletariat, which is the Republic of the New Democracy, the People Republic of the new Three Principles with the truly revolutionary three policies” (Mao, 1991i: 674–675).

This was the initial design for the founding of the People’s Republic in 1949. By 1945, Mao Zedong’s formulation of the “state system” was more constitutional and acquired constitutional significance:

We advocate the establishment of a national system of democratic union led by the working class, based on an absolute majority of the people of the country after the complete defeat of the Japanese aggressors, which we call the state system of New Democracy.

This is a national system that is truly suited to the needs of the largest majority of the Chinese population because, first, it has obtained and is likely to obtain the consent of millions of industrial workers, tens of millions of handicraft workers and tenant farmers; second, it has also obtained and is likely to obtain the consent of the peasant class, which makes up 80 percent of China’s population, or 360 million out of a population of 450 million; besides, it has also obtained and is likely to obtain the consent of the broad urban petite bourgeoisie, the national bourgeoisie, the enlightened gentry and other patriots. (Mao, 1991c: 1056)

After nearly a decade of exploration, in 1949, on the eve of the founding of the People’s Republic of China, the state system was finally declared as the “people’s democratic dictatorship”, which was later written in the new Chinese constitution.

(2) The idea about political system. Polity is the organizational form of state power, compared with the state system, polity possesses more formal meaning, and different states can adopt the same polity, such as modern politics generally carries out indirect system or representative system to realize the will of the state system. However, of the same indirect system, there are very different forms, such as the multi-party democracy of the bourgeois parties in Western countries and the democratic centralism of the proletarian parties. So, fundamentally speaking, the polity needs to fit the state system, the polity under the people’s democratic dictatorship is necessarily the democratic centralism, while the polity under liberal democracy is a multiparty democracy. This is the level of our understanding of state system and political system today. For Mao Zedong in Yan’an:

As for the so-called “political system” issue, it refers to the issue of the form of the regime constitution and the form taken by certain social classes to organize the organs of regime that oppose the enemy and protect themselves. The state cannot be represented without a proper form of political power. China can now adopt the system of the National People’s Congress, the provincial People’s Congress, the county People’s Congress, the district

People's Congress and the township People's Congress, and the congresses at all levels elect the governments. But only a truly universal and equal electoral system, free of discrimination between men and women, and in terms of religion, property and education, can be adapted to the position of the revolutionary classes in the country, to the expression of popular will and to the direction of the revolutionary struggle, and to the spirit of New Democracy. This system is democratic centralism. Only the government of the democratic centralism can give full play to the will of all the revolutionary people and can oppose the enemies of the revolution most powerfully. The spirit of "no private gain for the benefit of the few" must be reflected in the composition of the government and the army. If there is no genuine democracy, this cannot be achieved, which means the polity doesn't fit the state system. (Mao, 1991i: 677)

Clearly, the democratic centralism is the polity of the New Democracy, and the People's Congress is merely an institutional arrangement to implement the democratic centralism, and beside the People's Congress, there is the Soviet government, so it is not comprehensive to think of the institutional form of People's Congress as a polity, or of the People's Congress as a form of regime organization. Mao Zedong's more direct exposition is "The state system—the joint dictatorship of the revolutionary classes", "the polity – democratic Centralism" (Mao, 1991i: 677). Five years later, in "On the Coalition Government", Mao Zedong recounted the democratic centralism of regime organization:

The regime of the New Democracy should adopt democratic centralism, and the People's Congresses at all levels shall decide on major policies and elect the government.It is both democratic and centralized, that is to say, centralism on the basis of democracy, democracy under centralized guidance. Only this system cannot only demonstrate broad democracy and give People's Congresses at all levels a high degree of power but also concentrate on handling state affairs and enable governments at all levels to concentrate on handling all matters entrusted to them by the People's Congresses at all levels, and to safeguard all necessary democratic activities of the people. (Mao, 1991c: 1057)

In both the Yan'an period and three of the four constitutions of the new China, the democratic centralism was taken as the political system, which is consistent with the nature of the power relations. In the final analysis, a polity is the sum of the relations of power. An organ of power cannot be regarded as a polity, just as the American polity cannot be said to be the presidential system nor the English polity as the parliamentary system. The British and American polities are indirect democracies, and an indirect democracy consists of multiparty system, electoral system, parliamentary system, and administrative system. In contrast, the democratic centralism, which includes the constituent principles of the party, the People's Congress, and the government, is the best expression of the Chinese political system. The Communist Party was right from the start, and the academics got so confused after the founding of New China that they thought the People's Congress was a political system.

19.2 The Changing Constitution and the Change of the Expression of people's Democracy

As the Communist Party of China struggled for 28 years and New China was about to be founded, Mao Zedong's "On the People's Democratic Dictatorship" laid down the basic framework and even the text of the new Chinese Constitution. Mao Zedong, in "On the People's Democratic Dictatorship", described the nature of the New China (state system) in this way.

All the experience accumulated by the Chinese people over the decades has led us to practice people's democratic dictatorship, or people's democratic autocracy, in short, they are the same, to deprive the reactionaries of their right to speak and to give only the people a voice.

What is the people? In China, at this stage, it is the working class, the peasant class, the urban petite bourgeoisie and the national bourgeoisie. These classes, under the leadership of the working class and the Communist Party, unite to form their own country and elect their own governments, to impose dictatorship and autocracy on the lackeys of imperialism, namely, the landlord class and the bureaucratic bourgeoisie, as well as on the Kuomintang reactionaries and their accomplices who represent these classes, oppress these people, only allow them to behave, do not allow them to talk and act recklessly. If they want to talk or act recklessly, they should be banned and punished immediately. Among the people, the democratic system will be implemented, and the people have the right to freedom of speech, assembly, association and so on. The right to vote is for the people only, not for the reactionaries. The combination of these two aspects, the democratic aspect for the people and the dictatorial aspect for the reactionaries, is the People's democratic dictatorship. (Mao, 1991j: 1475)

The Constitution of the People's Republic of China expresses the state system basically according to "On the People's Democratic Dictatorship". The preamble to the 1954 Constitution states: "After one hundred years of heroic struggle... the Chinese people have established the People's Republic of China of the people's democratic dictatorship. The people's democratic system of the People's Republic of China, or the New Democracy system, guarantees that our country will be able to eliminate exploitation and poverty through the path of peace and build a prosperous and happy socialist society."

Article 1 of the Constitution stipulates that "the People's Republic of China is a people's democratic state led by the working class and based on an alliance of workers and peasants." Accordingly, the form of government is in article 2: "All power in the People's Republic of China belongs to the people. The organs through which the people exercise their power are the National People's Congress and the local people's congresses at various levels."

Although "people's democratic dictatorship" and "people's democracy" appeared at the same time, the fact that there was no separate "people's democratic dictatorship" indicated that the Party had become more mature. In fact, the state itself is the embodiment of the machine of violence, with the potential for violence and is ready to use the organs of violence, even if there is no provision for "dictatorship", it does not hinder the exercise of its dictatorship function. This is only an interpretation. Perhaps the more important reason is that the preamble to the Constitution states that "people

of our country have in the past few years successfully waged a large-scale struggle to reform the land system, resist U.S. aggression and aid Korea, and campaign to suppress counterrevolutionaries and restore the national economy, thus preparing the necessary conditions for the planned economic construction and gradual transition to the socialist mode of production", that is, the new regime had established a firm foothold, no longer needed to highlight the "dictatorship" function. It is also worth noting that the "leadership of the Communist Party of China" in the 1954 Constitution appeared in the preamble, and only the system of People's Congress was stipulated as a "polity".

After 1957, Chinese politics experienced twists and turns, that is, "anti-rightist", "Great Leap Forward" and "Cultural Revolution", with increasing emphasis on class struggle and continuing revolution. As a result, the 1975 Constitution, which affirmed the achievements of the "Cultural Revolution", was guided by the idea of "continuing the revolution under dictatorship of the proletariat", the state system of people's democracy in article 1 of the 1954 Constitution became the "dictatorship of the proletariat" of the 1975 Constitution, and "dictatorship of the proletariat" became the most frequently used term in the 1975 Constitution. The preamble reads as follows:

For more than 20 years, under the leadership of the Communist Party of China, the people of all ethnic groups in China have taken advantage of the victory and advanced to achieve the great victory of socialist revolution and socialist construction, as well as the great victory of the Cultural Revolution, to consolidate and strengthen the dictatorship of the proletariat.

Socialist society is a very long historical period. In this historical stage, there have always been class, class contradiction and class struggle, the struggle between the two paths of socialism and capitalism, the danger of capitalist restoration, and the threat of subversion and aggression by imperialism and the social imperialism. These contradictions can only be solved by the theory and practice of continuing the revolution under the dictatorship of the proletariat.

We must adhere to the basic line and policy of the Communist Party of China throughout the history of socialism and continue the revolution under the dictatorship of the proletariat, let our great motherland always follow the path guided by Marxism, Leninism and Mao Zedong thought.

Article 1 of the General Program stipulates: "The People's Republic of China is a socialist country with the proletariat dictatorship led by the working class and based on alliance of workers and peasants."

In this way, the political twists and turns after 1957 made China more and more antagonistic and increasingly intensified the confrontation and conflict, emphasizing class struggle. In addition, the 1975 Constitution enshrines the leadership of the Party in its General Program: "Article 2, the Communist Party of China is the core of leadership of the entire Chinese people. The working class is leading the country through its own vanguard, the Communist Party of China." But the stipulation for the policy went back to the "democratic centralism" of the Yan'an period: "Article 3, all power in the People's Republic of China belongs to the people. The organs through which the people exercise their power are the people's congresses at various levels, with the representatives of workers, peasants and soldiers as the main body. People's congresses at all levels and other state organs shall carry out democratic centralism."

The 1975 Constitution has long been seen as a throwback from the 1954 Constitution. In the transitional period, the 1978 Constitution still bore the strong traces of the 1975 Constitution. The guiding ideology was still the theory of continuing revolution, which emphasized the state system of proletariat dictatorship, the rules on the status of the Party and the polity followed the 1975 Constitution.

The 1982 Constitution after “dispelling chaos and restoring order” seemed to return to the 1949 “On the People’s Democratic Dictatorship” in terms of the state system and polity, but still bore the stamp of the 1978 Constitution, that is, “dictatorship of the proletariat”. The preamble to the Constitution stipulates that “the people’s democratic dictatorship led by the working class and based on the alliance of workers and peasants, which is essentially a dictatorship of the proletariat, shall be consolidated and developed”. “Article 1, People’s Republic of China is a socialist country with people’s democratic dictatorship led by the working class and based on alliance of workers and peasants. The socialist system is the fundamental system of the People’s Republic of China. Any organization or individual is prohibited from undermining the socialist system.”

To date, the 1982 Constitution has been amended four times, which has not involved the expression of state system and political system; in particular, the word “dictatorship has not been mentioned”. However, the debate in the academic and ideological circles is like undercurrents surging.

Despite all the arguments, I personally believe that the nature of the world political system is still a capitalist world system dominated by white people, and socialist China is still struggling to survive and develop in this system, whether we can stick to the socialist road with people’s democracy as its core is indeed a major issue that will determine China’s future.

However, the nature of the world political system, namely the struggle between the two international roads, is not necessarily transplanted into domestic politics. Over the past 30 years of reform and opening-up, China’s social structure has undergone revolutionary changes and new social classes have emerged, but they are still parts of the people. The key is the unity of party spirit and people spirit, that is, with the Communist Party present, these new classes are parts of the people, but cannot turn the domestic class relations or the stratum relations to be antagonistic. With the people’s nature guaranteed by the party spirit, that is, not the opposition of domestic class relations, then, as the potential for violence, the “dictatorship” is mainly used to protect state sovereignty and safeguard people’s democracy by the rule of law, which is an upgraded version of the class dictatorship.

In short, the “people’s democratic dictatorship” stipulated in the Constitution remains unchanged, but the Communist Party of China, which has kept pace with the times, is certainly the most contemporary in theory, not to mention that the first Constitution defined the state system as “people’s democratic system”.

19.3 The Change of Context and the Change of Expression: A Discourse Analysis of Class-People-Group

"Construction politics" is necessarily different from the way of expression and even thinking in the context of "revolutionary politics". Class in the context of "revolutionary politics" has been more often than not replaced by terms such as people and group.

(1) Class nature: The political logic of revolution

Revolutionary politics is bound to stress class and class struggle, which is the basic principle of Marxism on revolution. The best use of this principle in China is undoubtedly found in a series of essays such as Mao Zedong's "An Analysis of the Various Classes in Chinese Society" and "Report on An Investigation of the Peasant Movement in Hunan". The classic quotes include: politics is not a matter between individuals, but a struggle between classes; who is our friend and who is our enemy, which is the number one issue of the revolution. With such a theory, there was a corresponding practice, that is, through the Mass Line and united front, to organize the grassroots thoroughly to form a political coalition to overthrow the Kuomintang regime.

Based on several articles of the Yan'an period, such as "On the Coalition Government" and "On the New Democracy", which embody the idea of founding the nation, on the eve of the founding ceremony of the People's Republic of China, in "On the People's Democratic Dictatorship", Mao Zedong formed the basic principles of the later constitution. The roots of this idea lie in the Communist Manifesto, that is, (the proletariat) to rise through the revolution to the ruling class and carry out the dictatorship of the proletariat.

As mentioned above, as a Marxist political party, the Communist Party of China is very pragmatic, or has a strong ability to adapt to the times. The Constitution of 1954, the first constitution of New China, states that "the People's Republic of China is a people's democratic state led by the proletariat and based on an alliance of workers and peasants."

Class warfare and dictatorship are natural if one stays on the constitutional text produced at a particular moment or seeks answers in the Communist Manifesto and "On the People's Democratic Dictatorship". The question, however, is that political experience resulting from political logic in a particular context is a lesson worth learning. More importantly, under the completely different social structure that has been created by the reform and opening-up policy, the social foundation of the Communist Party's governance has also undergone major changes. Its guiding ideology, political logic and political expression have all undergone major changes, for example, the important thought of "Three Representations", socialist harmonious society, socialist core values, and so on. For now, the answer can only be found in the core socialist values. Moreover, as early as 1954 in the Constitution, there was the theory of the state system of the "people's democracy".

It may be said that, without mentioning class nature, a party loses its solid mass base, such as the weakening of the political base caused by class dilution in Western

countries. Can Western party politics be compared to China's political system? Remember that China is a one-party state. As the ruling party, the Communist Party does not represent any particular class or stratum, but only the whole people.

It is because China is a one-party state rather than a Western-style multi-party system that it has been able to avoid the social class split deepened or created by Western party politics, making it possible to maintain the "people nature", that is, the wholeness of the people. It should be noted, in a multi-party state, for the sake of their own political existence, they have to create their own mass base, that is, class base, even if they deliberately neutralize in their program and dilute their particular class identity. Therefore, in a sense, class politics in Western countries is the by-product of party politics, or the splitting party politics strengthens class politics. And in China, despite the de facto inequality and the traditional working class and peasant class, the goal of one-party rule must be the entire people oriented; moreover, under the one-party system, society is organized according to the unit system, even though the unit system is not as effective as the planned economy after marketization, the influence of the unit system on the social structure and class structure cannot be ignored, because the unit system is the unit to carry out the one-party rule. In other words, the division of social structure not only depends on economic factors, but in China it is even more important to look at the impact of the political system and the system of institutions under it on the social structure. China's one-party political system determines that members of the society are not the actors of "class politics", but the actors of "people politics". In other words, in China, the class logic of revolutionary politics has been duly transformed into the people's logic of one-party rule.

(2) People nature: The political logic of the ruler

The logic of revolution is class struggle, while the logic of ruling is political harmony. Without experience, the rulers who rose to power in the ruling class continued to push the logic of the revolution. The result was disaster, and the object of the revolution ended up being the comrades of the rulers themselves. The not-far-off lesson of history means that the ruling Communist Party can no longer wantonly talk about class struggle and class dictatorship, but it should promote the rule of law guided by political harmony. In the history of China and foreign countries, there has never been a ruler in any country who is in power while engaging in a struggle between classes that shakes the country. This is the first law of political rule and the main road of governing a country. The second law, the more essential law, is that the existence of any regime depends on strong backing, which is determined by the nature of the state per se. But mature rulers would prefer the use of "cake" rather than "stick" although at the critical moment they would not hesitate to use "stick"; for example, as governor of California, Reagan used the National Guard of the United States against American college students who opposed the Vietnam War.

It is based on their own lessons, based on the crystallization of human civilization, after the reform and opening-up, the Communist Party of China began to transform in theory. Although it is acknowledged that class struggle still exists in a certain scope for a long time, for example, as what is shown in international politics in other forms, which is actually a new type of international political struggle, but the main

contradiction has been to liberate the productive forces, build a socialist economy, to make "cakes" rather than from time to time "show muscles"—function of violence.

In the process of reform and opening-up, a new social structure has been formed and new social forces have formed on this basis. As rulers, they consider how to incorporate new social forces into the system instead of excluding them, nor carrying out "class struggle" with them. As early as the 1980s, intellectuals were already part of the working class, and the idea of accepting new social classes belongs to the important thought of "Three Representations", that is, new social forces could all join the Communist Party of China. Is it timely to continue to pursue the theory of class struggle for this kind of theoretical innovation and great change of political thought? They are an organic part of the people.

In fact, the Communist Party of China has changed its way of expression, which is often referred to as "party nature and people nature". On August 19, 2013, General Secretary Xi Jinping said at the National Propaganda and Ideological Work Conference: "Party nature and people nature have always been consistent and unified. The core of upholding party nature is to adhere to the correct political orientation... upholding people nature means taking the realization, maintenance and development of the fundamental interests of the overwhelming majority of the people as the starting point and foothold, and sticking to the people-oriented and human-oriented principle. We should set up a people-oriented work orientation" (习近平, 2014a). The unity of the party nature and the people nature is a kind of mature governing thought, that is, the rulers are not only the vanguard of the working class, but also the vanguard of all strata and all components of the Chinese nation, thus forming the benefit integration relations of the party and the entire people. Such a statement is not merely a political statement, but the aforementioned one-party political system directly affects the social structure or class structure.

In the sense of political domination, we can only speak of the people-based rather than class-based communist regime. Even in an academic sense, a one-party political system, rather than a multi-party system, can avoid the class relations created by the scramble for class bases. Theoretically, "people nature" is an organic whole, but the whole is made up of parts. Class and stratum exist objectively, or the people are made up of class and stratum. How can we only speak of "people nature" and not of "class nature"? There are several levels of logic: first, the political system and class relations. As noted above, in terms of class, class consciousness no longer exists, or people do not feel the existence of class factuality, because of the one-party political system and the resulting unit system. This should be an observable fact in Chinese politics. Second, in the sense of political domination, we can only speak of the unity of party spirit and people spirit, that is, the Communist Party represents the whole people, and there are contradictions among the people but no class struggle. Therefore, to speak of "people nature" is actually an expression of a political ruling thought in Chinese and foreign history within the Chinese context. Third, in the sense of policy, different groups of people have different demands, which must be dealt with in layers. Therefore, in this context, we face the relations among different groups, strata and regions within the people, "part" or "mass" or "class" often replace "people nature". In this way, "popular nature" is equal to the political thought of

“people’s sovereignty”, and the realization of this political thought depends on the policy research of class and stratum.

In terms of the human system change, the intuitive form of farming civilization turns into industrial civilization, during which the agricultural class declines, the industrial class rises. The industrial class is divided into the haves and have-nots and the intermediate class between them. This is a basic historical fact, which is expressed in different forms in different countries, but in the final analysis is the relationship between classes. The dominant approach to the study of the great historical sociology, therefore, is Marxism’s class analysis, even though they, especially American scholars, never called themselves Marxists; for example, Barrington Moore’s *The Social Origins of Autocracy and Democracy* is a classic class analysis, while Skocpol’s *The State and Social Revolution* is also a class analysis. Not only the historical sociology, but also the influential global left, whose methodology cannot be separated from class analysis. Immanuel Wallerstein even extended class analysis to the realm of world politics, forming his famous theory of world systems. The “dependency theory”, which has great influence in South America, is also the application of class analysis in international relations.

The issue here is the political correctness of class analysis in China. Because of the painful experience of “daily discourse on class struggle” during the “Cultural Revolution”, it seems that after the “Cultural Revolution” Chinese academic circles consciously and collectively diluted the class analysis method, which is connected to class struggle politics, in its place was Weber’s notion of stratum. This transition is not difficult to understand politically, and the stratum analysis also has irreplaceable value, but does this make it impossible to use class analysis? In recent years, in the mainstream of Chinese sociology, there is a tendency of “bringing class analysis back”. I think, this is the academic standpoint of the objective middle way. Because even if the study of China’s current social transformation must face the decline of the peasant class (rather than the peasant stratum) as an issue for research, how can there be less class analysis?

(3) Groups: The logic of policy analysis

In the general political process and public policy process, “people nature” is more a political concept, that is, as a way of interest allocation of public policy tools to maximize the interests of the people. Because public policy always involves specific interests, such as allocation of educational resources, construction of farmland and water conservancy, and military expenditure, so the concept of “class” or even “stratum” is not applicable, and “groups” (interest groups) and group analysis are the protagonists of public policy analysis. We tend to think of the policy process as an interaction between policy makers, capital forces, and social forces, all are in the abstract. Policy makers are more likely to be local governments or government departments, capital power is just an interest group in a field such as real estate, while social power is not a monolithic whole, but is made up of various groups. Therefore, “group” or “interest group” has become the key word of policy analysis.

However, we should not simply think that the new concept of “group” can replace the old concept of class and stratum. “Public policy” is actually the sum of numerous decision-making processes, and in the course of a single policy, it is the groups that

play a role; and from the sum of public policies, we can see the stratum nature or class nature of the group composition. A study of 1,779 policy agendas in the United States since 1980, for example, shows that the demands of powerful interest groups are much more likely to be translated into policies or laws than the demands of weaker groups. The study concludes that the United States is no longer a democracy as it is often called, but a free country that tends to protect the interests of oligarchies, who rule the United States (Gilens & Page, 2014). This process is a classic illustration of the relationship between group (interest group) and class (stratum). If the analysis of interest group is substituted for the analysis of class, and interest group can be divided into individuals, then the logic of liberalism is substituted for Marxism, and the essence of politics is masked by simple phenomena.

This is also a conservative point of view. Since behaviorism became popular, the macro class issue has been replaced by the meso interest group, and the meso interest group has then been replaced by the micro-individual choice in the context of rational selectionism, and from then on, "politics" has become an individual "scientific" game, and the fundamental nature of "politics" has been dispelled in mathematical politics. As for the prevalence of group theory in behaviorist politics, Strauss' criticism is a negative demonstration of the relationship between interest groups and class. In Strauss' view, first of all, the theory of groups is in fact a reduction of political affairs to politically neutral affairs, a reduction to sociological groups, and then a reduction of these groups to individual theories, and a reduction of political issues to social issues, and the result for political science or scholars is that "what is important is not politically important". In Strauss' case, the nature of the political community was class relations, and the political associations are the associations composed of the ruler and the ruled (Strauss, 2010).

Although I myself deeply dislike Strauss' contemporary pseudo aristocratic political philosophy, which is heavily elitist and racist, but its judgments about the relationship between group and class, the form of politics, and the nature of politics, I think touches on the real question—although liberal behaviorist politics is not as silly and valueless as Strauss thought, behaviorist politics merely disguises ideology with scientific or formal concepts, which are more acceptable and therefore more bewitching than Strauss' bare words.

From ancient times to the present, the core of the problem is that the essence of interest group politics is class politics, but group analysis can often dilute the nature of class politics; on the contrary, the essence of class politics is often manifested by visible interest group politics.

It can be concluded that: First, the professionalism and profundity of thinking are represented by the logical stratification of thinking. Different concepts are applicable to different contexts and different levels of political issues. Political life is composed of multi-level polity and multi-functional organization. Accordingly, analytic concept or theoretical logic must be layered. The way in which all political phenomena are explained in one general or ambiguous concept is typical of unprofessional thinking. Second, and more importantly, political logic is constructed through discourse, but the premise of political logic is context. The same party, which yesterday was a revolutionary party and today is a ruling party, must keep pace with the times in

its political logic, and its discourse must change accordingly. There is no discourse that answers all political questions once and for all; therefore, what China lacks most is “new concept, new category and new expression”. Third, we used to say that economic structure affects class structure and political party system, which is the logic of Western political society. A new category proposed in this book is, in the Chinese context, what is the role of one-party rule in class structure? This is undoubtedly a new subject worthy of expansion and should not stay in the textbooks.

19.4 Go Back to the Expression of “People’s Democracy” in the 1954 Constitution

How to express the class nature of a country, i.e., state system, in the constitution is called “the art of constitutionalism”. Lenin admonished us long ago that politics is an art. In other words, politics is about the distribution of interests, some of which are even antithetical or even antagonistic. Even so, politics is also about art, just as the Communist Party has historically used United Front as a “talisman” for success. Furthermore, China’s political development has changed from abnormal “revolutionary politics” to “construction politics” in the normal period, and the context and way of thinking have changed dramatically.

(1) “The art of constitutionalism”

The technique of comparing constitutions may shed some light. All modern countries are established after the revolution, and they are essentially a political pattern established after political struggle or revolutionary bloodshed to safeguard the fundamental interests of specific classes, no exception being made at home or abroad, but the art of regulating “the fruits of the revolution” varies. To cite the main points, the general types are as follows.

First is the American-style constitution with no state system. The world’s first written constitution, the United States constitution, was a constitution of polity rather than state system, with only a few articles in the main body of the constitution, defining the powers of congress, the president, and the judiciary, and how they should be constituted respectively. The three-line preamble to the constitution reads: “We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defense, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America.” That is to say, the key words are “people”, “union”, “justice”, “tranquility”, “common defense”, “blessings”. From these words alone, the U.S. Constitution is a “people’s charter”. What does this actually mean? The U.S. Constitution is an economic law, a fundamental law established by 129 property owners to protect their property rights. What the founding fathers of the United States, in the *Federalist Papers*, talked about was building a state that would prevent the majority from directly running the

government. Then, how to prevent the majority from directly running the government? In other words, even with the arrival of the age of mass politics, is it possible for the masses to amend the Charter of the age of agricultural society? The "founding fathers" had tied up the fence so firmly that it was impossible for the "newcomers" to erect their own "enclosing wall". Under Article 5 of the U.S. Constitution: "The Congress, whenever two thirds of both houses shall deem it necessary, shall propose amendments to this Constitution, or, on the application of the legislatures of two thirds of the several states, shall call a convention for proposing amendments, which, in either case, shall be valid to all intents and purposes, as part of this Constitution, when ratified by the legislatures of three fourths of the several states, or by conventions in three fourths thereof, as the one or the other mode of ratification may be proposed by the Congress". Just think, in a pluralist society, what interests are there to get two thirds of both houses or two thirds of the state legislatures to agree to a constitutional amendment? It seems to be the absolute majority principle, and this absolute majority is the fundamental protection of the interests of the property owners. The economic constitution, so to speak, protects property rights, but it is also at the root of problems, such as, the most savage gun problem remains unsolved.

The second category is the constitution, which substitutes "national sovereignty" for state system. If the US Constitution is an economic charter, a procedural law on how to form a government, then in the French Constitution the taste of "state system" is visible. The French Fifth Republic Constitution (1958), in its short preamble, states:

The French people solemnly declare their love for the principles of human rights and national sovereignty laid down in the Declaration of the Rights of Man and of the Citizen of 1789 and confirmed and supplemented by the preamble to the Constitution of 1946.

In accordance with these principles and the principle of free determination of the people, the republic offers to those overseas territories which have expressed their willingness to associate themselves with the Republic, on the basis of the common ideals of the Liberté, égalité, fraternité, and designed for its democratic development.

It seems that France is a republic based on Liberté, égalité, fraternité, human rights and democracy, but the principle of national sovereignty implies many provisions of a "dictatorship" nature. For example, Article 3 of the French Constitution states: "National sovereignty belongs to the people, who exercise it through their representatives and by referendum. No part of the people or any individual may exercise national sovereignty without authorization." The key is the stipulation that "no part of the people or any individual may exercise state sovereignty without authorization". Therefore, although the Constitution provides for free organization and activities of political parties, the regulation of political parties is based on the principle of sovereignty; Article 4 of the French Constitution states: "Political parties and groups assist in expressing their views in elections. They are free to organize and carry out their activities. They must abide by the principles of national sovereignty and democracy."

The French constitution restricts political parties, citizens and overseas provinces in the name of "national sovereignty". This sovereignty is, of course, the product of

the French Revolution, only it is not defined in terms of class attributes, but in the name of “national sovereignty”, which belongs to all the people.

Third is the constitution which emphasizes class antagonism and highlights the nature of the state system. This type of constitution is unique to the Soviet Constitution. Not to mention the 1936 Constitution, while the 1977 Constitution states that “the Soviet state has fulfilled its mission of dictatorship of the proletariat, it has become a nation of all the people”, the first sentence of the 1977 Constitution reads: “The Great October Socialist Revolution, conducted by Russian workers and peasants under the leadership of the Communist Party headed by Vladimir Lenin, overthrew the capitalist and landlord regimes, broke the yoke of oppression, established the dictatorship of the proletariat, established the Soviet state—a new type of state, defended the fruits of the revolution, and built the basic tools of socialism and communism.” There are many typical features of the Soviet Constitution, the most prominent of which is class antagonism, although it is also said that “the mission of the dictatorship of the proletariat has been accomplished”.

Broadly speaking, the 1975, 1978 constitutions of China and Soviet constitutions are basically the same, which especially inherited the 1936 Constitution of the Soviet Union, while the characteristics of the 1954 and 1982 constitutions lie between the Soviet Constitution and the French Constitution. As mentioned before, the 1982 Constitution provided for a “people’s democratic dictatorship, or dictatorship of the proletariat”, lying between the 1954 Constitution and the 1978 Constitution. We believe that the 1954 Constitution directly reflects the “political maturity” of the Yan’an period of the CPC and remains a “political maturity” resource worthy of reference in the new era, and we should go back to the state system of “people’s democracy” stipulated in the 1954 Constitution.

(2) The adaptive transformation of the CPC

This is not only concerning “the art of constitutionalism”, but the transformation is also due to the party having become more politically mature in the new era. In 2014, for example, the decision of the Fourth Plenary Session of the Eighteenth Central Committee of the CPC on the building “rule of law in China”, proposing not only to “rule the country by law”, but also to “govern by the Constitution”. The Constitution stipulates the upholding of the leadership of the Party and people’s democracy, governing according to the Constitution is to uphold the leadership of the Party and the people as masters of the country; the “rule of law” includes not only the general implementation of the law, but also the legality of the defense of state sovereignty, that is, to safeguard national sovereignty (which of course includes the regime first) through legal procedures. In fact, as Mao Zedong pointed out in “On the People’s Democratic Dictatorship”, if a member of the people breaks the law, he will “stay in jail”.

“Ruling the country according to the constitution” and “ruling the country according to the law” embody the political constructiveness. As we know, politics can be divided into “revolutionary politics” in unusual times and “constructive politics” in normal times. Revolutionary politics is always intense, emphasizing class antagonism, political struggle and revolution, so it is natural to advocate “dictatorship” and “repression”. However, extraordinary times cannot be permanent, otherwise people

will suffer psychologically, such as the "Cultural Revolution" under the guidance of the "continuing revolution" ideology.

In fact, during the 40 years of reform and opening-up, the CPC has basically completed the transformation from a "revolutionary party" to a "ruling party", and her adaptability is very strong. In my view, if the economic policy of 1978 was an adaptation to efficiency, that is, to increase efficiency it was necessary to change the economic policies of the Communist Party in the past, such as from collective production to the household-responsibility system, then, the "important thought of Three Representations" stipulated in the Party Constitution adopted at the 16th CPC National Congress in 2002 is structural transformation. The Communist Party is not only the vanguard of the working class, but also the vanguard of all ethnic groups and strata in China. In other words, the people include not only traditional workers, peasants, cadres, the People's Liberation Army and intellectuals, but also new business owners, personnel of foreign-funded institutions and intermediary agencies. "Three Representations" is a new political thought of the unity of the party nature and the people nature, which cannot be forgotten and is the theoretical cornerstone of the discussion of the Chinese national system. Those who emphasize class antagonism seem to have forgotten the "Important Thought of Three Representations", which occupies an important position in the history of our Party.

We often talk about the unity of the two periods of three decades before and after the reform, and we certainly cannot sever the continuity of political development after the reform and opening-up. The Chinese Communist Party possesses a strong adaptability. When the reform and opening-up guided by socialist market economy have brought about great changes in the social structure, the Party timely put forward the "the Important Thought of Three Representations"; when the problem of social structure brings about the conflict of structural interests, "socialist harmonious society" is put forward. However, how to achieve social stability and harmony? The idea of "modernization of state governance system and governance capacity" based on the "rule of law in China" has been put forward in the new era to promote the overall deepening of reform under the guidance of "social justice". This shows that in each period, the CPC has responded correctly, and on the basis of the previous period, it has adjusted and improved, rather than making a precipitous change. Failing to recognize this continuity, understanding China, even by stages, let alone the fundamental nature of Chinese politics, will lead you all to go counter to your intention, perhaps "for the right reasons, but with different results".

Chapter 20

Two Democracies in the World Political System: Liberal Democracy and People's Democracy



Strictly speaking, only liberal democracy or people's democracy can be called a type of political system of democracy. Geomantic wheel circulates. For 100 years, from the middle of the nineteenth century to the middle of the twentieth century, the socialist ideology and socialist movement with the people's democracy as its aim had the absolute superiority; against the advantage of the high moral ground, the liberal democracy was on the defensive. But by the 1980s, the theoretically constructed liberal democracy began to turn defensive into offensive, and by the third wave of democratization it dismembered the Soviet Union-Eastern European communist camp, putting people's democracy on the defensive; only a few countries, represented by China, are still sticking to people's democracy. Under the established world political system, the liberal democracy that supposedly supports the world political system should triumph all the way, but why does it appear universally as "invalid democracy"? What is wrong with liberal democracy? At the same time, people's democracy is the political path and state system that China must adhere to, but what are the potential challenges facing it? This part will discuss in the perspectives of comparative history and comparative politics.

20.1 The Tide of Democratization and the Dilemma of Liberal Democracy in Practice

From Huntington's Third Wave Democracy (beginning with the democratization of Spain and Portugal in 1974, to the democratization of East Asian countries and regions in the mid to late 1980s, the democratization of South America, and the banner change of the Soviet Union and Eastern Europe) to the "Color Revolution" of the Central Asian countries and the "Arab Spring" of the Middle East countries, which are known as the fourth wave of democratization, and to the political chaos of Ukraine and Thailand, democratization is the most common in world politics, and it is also the most important political form that changes the international pattern.

(1) Democratizing politics is so common, or it could be prone to occur

First, there is the universalization of the concept of democracy under the established world political system. The origins of the Cold War were ideological rivalries, so the two camps competed to market their ideas around the world. Interestingly, they both promoted the idea of democracy, but one was liberal democracy, and the other was socialist democracy, and as a result liberal democracy prevailed and won the Cold War. So much so that when people are dissatisfied with the regime or with the politics of the moment, they see democracy as a panacea, or even as a religion to be pursued. This cannot but be attributed to the white superiority theory and the political Christianity that packages liberal democracy as a “universal value”.

Second, there is a growing awareness of civil rights, leading to more active actions and frequent protests. Economic growth does not necessarily lead to democracy, but one consequence of economic growth is a change in the values of young people and a corresponding increase in their capacity to act. According to the project of world values survey, a 30-year (1981–2001) study of 81 countries conducted by Professor Inglehart from University of Michigan, those who grew up during the periods of economic instability and economic scarcity generally had a “materialistic” value formed during the same periods, with greater priority on economic and material security, which is actually a “survival value”. Whereas, people who grew up during the periods of economic prosperity and stability tended to have “post-materialism” values, such as a greater priority on freedom and cleaner environment, which is a kind of “self-expression value”. With economic development and generational change, materialistic values have clearly shifted to post-materialism values, from “survival values” to “self-expression values”. Based on the data, Inglehart concludes that, regardless of the traditional cultures, economic development tends to move societies in the same direction, toward “self-expressive values”. The political expression of these values is “freedom from authoritarian control”, which leads to more peaceful demonstrations challenging the rulers (Inglehart & Welze, 2005).

It is generally believed that both the third wave of democracy and the subsequent fourth wave of democratization that began in Tunisia, known as the Arab Spring, and the current events in Ukraine and cyclical street politics in Thailand, are political manifestations of “self-expressive values”.

Third, the decisive role of the international context (mainly the Western countries) is the structural role of the world political system. It is hard to imagine that so far and so fast Eastern Europe could have gone in such a short time without the change in the attitude of the Soviet that gave Eastern Europe more autonomy and the temptation of membership in the European Union, and today’s Ukraine is the result of international pull. In particular, two types of organizations in the international context have stirred up the democratization process in some countries: The first includes international non-governmental organizations or quasi-governmental organizations dedicated to the promotion of democracy and human rights, including private associations, sports organizations, foundations, consulting companies, political parties and other organizations that provide ideas, contacts and financial support. The second includes the regional and global organizations such as the Organization of American States, the Commonwealth and the African Union, which have all adopted

a new form of external intervention known as “political conditionality”, to punish “unconstitutional” regimes (Schmitt, 2012: 115–116).

The aforesaid three factors, especially the transformation of values brought about by the development of domestic economy and the support and underhand dealings of the Western world, make democratic politics become the most common political form in the world today. But most of the outcomes of democratization are not what their pursuers had hoped for, but rather are pluralistic and dominated by popular discontent.

(2) The types of countries that democratize politics

Currently, the most popular national classification in the world is the Freedom House, which classifies countries according to two main criteria of individual freedom and competitive elections: One is the freest, and seven is the least. In light of this, India scored an average of 2.5, Singapore 4.5 and China 6.5. But according to the UN’s Human Development Index, or happiness index, India has been in the 127th place in the past decade, while China has risen from 101 to 91st, not to mention how high the Singapore Index is. Therefore, the classification of “Freedom House” does not make any sense. As we shall see later, competitive elections are in fact party-contesting democracies, and party-contesting democracies are often political traps and obstacles to development in developing countries.

First, the problems of the developed world. First of all, for the Western developed countries, there has emerged a “veto-type regime” in the post-cold war party politics, that is, the government cannot do things. In Europe, some countries are even less optimistic about the future, as their democracies of the past have been based on homogenization, and now there are big demographic shifts, such as the possibility that the French Arabs will overtake the whites in a one-generation cycle. The bigger problem is that many European countries have been hollowed out, such as southern and Eastern Europe; without an industrial base there is no vitality. Because of this, there is likely to be a new wave of “reverse development”. Some countries in Latin America have had “reverse development”, such as Argentina in the early twentieth century with their GDP ranking the world’s top 20, but it went into “reverse development”, caught in a middle income trap.

Second, the problems of countries in transition. We should start from the basic human reason and common sense to classify countries, especially countries in transition, for example, whether politics is stable, whether people can participate in politics, whether basic rights are protected, whether economic growth is normal, and what degree of people’s satisfaction brought about by social justice. On the basis of the above indicators and based on the actual performance of these countries over the years, we can classify countries after the third wave of democracy as follows.

Category I: Countries which have transformed their politics into Western-style democracy and achieved fruitful economic and social development. Such countries mainly include South Korea in East Asia and Poland, Hungary, the Czech Republic, Slovakia, Estonia and other countries in Eastern Europe. South Korea, with a smaller economy, has gone from being the tail end of the “Four Asian Tigers” in transition to an innovative nation ahead of Taiwan, China. Several countries in Eastern Europe have a per capita GDP close to \$20,000.

Category II: Countries or regions whose politics has been transformed into Western-style democracy, but caught in a governance quagmire. Such countries or regions include Taiwan of China, the Philippines and Indonesia in southEast Asia, India in south Asia, and most countries in Latin America, with Mexico and Argentina being the worst. In the 1980s, among the “Four Asian Tigers”, Taiwan ranked ahead of South Korea, but it now lags far behind South Korea and is further behind Singapore and Hong Kong. For the Philippines and India (though established democracies), Western-style democracy, that is, competitive elections, in fact strengthens their inherent feudalism or ancient social structures, with the result that polarization and poverty cannot be fundamentally addressed, and India still has 420 million poor people, more than the sum of the African population. Mexico had its first political party rotation in 2000, but after more than a decade of drug violence, rampant corruption, extremes of wealth and poverty, stunted growth, and rampant unemployment, the society was rife with pessimism and distrust of the parties and politicians, and the whole country is in danger of being marginalized in the world. Against this backdrop, the PRI party, which ruled Mexico for 60 years, regained power in the 2012 elections.

Category III: Countries whose political transformation has taken place, authoritarian politics is strong and economic and social development is basically normal. The most typical of these was Russia, which, in Boris Yeltsin’s time, had a wholly Western style democracy, and the result was a “lost decade”, in which Russia called out for strongman politics and Putin came into being. “Putin-style democracy”, or “controllable democracy”, is a thorn in the West, but it is supported by the people at home, and the economic and social development is basically normal. Other countries include some of the former Soviet republics, such as Belarus, Central Asia, and Iran in the Middle East.

Category IV: Countries whose political transition leads to periodic political upheavals, civil wars, and even divisions. Such countries include the Soviet Union, Yugoslavia, and now Thailand, Ukraine, Syria, Pakistan, and many countries in Africa.

It is for sure that, since the Third Wave Democracy, only a very small number of countries, i.e., Category I countries, have the democratic political outcomes that people desire, the political outcomes in most countries or regions—Categories II, III, and IV—have backfired, and the disappointment of their people will not go away for the foreseeable future. Even Larry Diamond, an American who has pushed for democratization, admits that democratization has swept the world, with the result that “bad governance” is an inescapable spectre (Rothstein, 2012: 236). Many international institutions and the international non-governmental organizations believe that democracy can alleviate poverty in the developing world, which turns out to be a pipe dream. In the words of Helmut Schmidt, a well-known democracy theorist, “most of the regime changes of the past 25 years have indeed led to low-quality regimes, in vain for the years of struggle and sacrifice. And it is particularly noteworthy that these disappointments are not limited to new democracies; in the established democratic society, it is full of similar morbid symptoms, and the basic reason is that the “genetic

defect” in the related society makes the democratic system and democratic practice difficult (Schmitt, 2012: 107).

In fact, in my view, democratization has led to massive political decline around the world not only because of “genetic defects”, but also because of the prevailing theory of democracy itself. These are the two underlying reasons.

(3) The deep-seated causes of democratization

Most democracies are in trouble, and they are not temporary problems, so it is hard not to ask why. Of course, there are many reasons, such as the level of economic development, political culture, civic quality and so on. I think, of course, there is a certain correlation among these reasons, but not the most fundamental, the most fundamental reason is one outside and one inside: The “outside” is that there are problems in the democracy theory that conducts externally as well as the democracy form which is based on the democracy theory; the “inside” is the lack of the most fundamental condition of democracy that is the “gene” of homogeneity.

First is the problem with democratic theory itself: electoral democracy—partisan democracy. The democratizing politics that the Americans and international institutions are pushing for is competitive elections. And when the world’s democratized politics does not live up to expectations and even goes into political decline, they begin to reflect, but they never reflect from the “root”, which is the question: is the democracy they pursue a theory and politics of democratization that is wrong in concept and theory, or at least not in line with the national conditions of other countries? Fukuyama, for example, who rose to fame because of the “end of history”, says that “the failure of democracy is not so much in concept as in execution” (Fukuyama, 2013a). Here, Fukuyama, like his previous famous “end of history”, has once again exposed his background of the lack of theoretical cultivation. The crisis of democratic politics in the world can never be simply attributed to the problem of democratic implementation. In my view, it is the problem of popular democratic theories and ideas themselves. So, what is the prevailing idea of democracy?

At present, the popular concept of democracy in the world is called “competitive election” or “Schumpeterian democracy”. In Joseph Schumpeter’s case, the democratic theory, popular for thousands of years as “popular sovereignty”, in which the people decide together, was transformed into “competitive elections”: Democracy is the process in which voters elect politicians to make decisions, and how politicians make decisions and how parliament legislates are not the scope of democratic politics (Schumpeter, 1999). In this way, Joseph Schumpeter made a simple reversal: the traditional theory of popular sovereignty put the people first as the masters of the country, while in his case the electoral process was the first and the people second. After the efforts of several generations in the Western social sciences, “people’s sovereignty” was replaced by “people’s right to vote”.

There is nothing wrong with the right of the people to vote, but the problem is that the marriage of this form of democracy with various political ideologies invites a variety of democratic politics. Democracy itself is a kind of mass power politics, and mass politics will be combined with various political thoughts, such as nationalism, religious forces, populism; in other words, these political ideological trends and political forces will inevitably resort to democratic political forms to

achieve their political goals. The results are clear—a brotherhood style Islamism democracy in Egypt, a nationalist democracy in Ukraine, and a populist democracy in South America.

That is, in theory, there is nothing wrong with competitive elections as a form of democracy per se, but who organizes competitive elections? Of course, it is a political party, so competitive elections must be “partisan democracy”. What is the essence of the partisan struggle for democracy? Political parties have their own specific mass base, which may be different strata (classes), religious forces and ethnic groups (races), so the partisan struggle for democracy is bound to become a de facto class struggle as in Thailand, the politics of religious extremism such as the Muslim Brotherhood in Egypt, and the politics of national strife that divided the country as in Ukraine today.

In theory and historical experience, the forms of democracy are in fact diversified and pluralistic, and some forms of democracy are more important and occur earlier than competitive elections, for example, constitutional democracy that provides for a fundamental order (we can call it the rule of law democracy), decentralized democracy as a rationalization of institutional arrangements, and others such as consultative democracy, participatory democracy and so on. In the genetic science of democracy, electoral democracy in Western countries came later than constitutional democracy and decentralized democracy, and the Constitution of the United States was established by deliberative democracy. But in her foreign policy, the United States has forgotten its own history and has deliberately promoted a form of democracy in the developing world—a de facto “party contesting” democracy. But if the “partisan democracy” takes place in the society which lacks the “gene” of homogeneity, it will inevitably lead to the above-mentioned evil consequences.

Second is the sociocultural gene of democratic politics: homogeneity condition. Different from the monarchy and the aristocracy, democracy is about politics in which the majority participate or even “people are the masters of the country”; of course, the conditions for its realization are numerous and more stringent than those of other politics, and the most important one should be the homogeneous condition. Democracy is the politics of the majority. If the majority is in the structure of opposition or heterogeneity, conflict is inevitable. The homogeneity of democracy is a regular summary drawn by many Western thinkers and scholars according to their own or comparative historical experiences of political development. In fact, the success or failure of democratization in the four aforementioned categories of countries depends to a large extent on the homogeneity of their conditions. In the light of the successful or unsuccessful experience of world democratization, there are at least three elements in the homogeneous conditions of democracy:

One is a shared national identity. Countries of today, especially many developing countries, are multi-ethnic countries. If we follow a nation-state like Britain, Germany and Japan, the developing countries will fall apart. Therefore, representative scholars of democratic transition, such as Linz, regard “national character”, that is, the identity of the same country, as the precondition of the success or failure of democracy. If there is no national identity, political factions will oppose for the sake of opposition, rather than loyal opposition (the British call it “loyal opposition to Her Majesty”),

with the result that the country could be torn apart (Linz & Stepan, 2008). In the Weimar Republic, the most powerful critic of liberalism, Carl Schmitt, spoke of his theory of democratic homogeneity in this light. In Schmitt's case, homogeneity refers first and foremost to the identity of a people (Schmitt, 2004). Today, the biggest difference between late-developing countries and early-developing countries is that democracy in early-developing countries is carried out within the same ethnic group, while late-developing countries are multi-ethnic affairs. At this point, it cannot be said that a multi-ethnic country cannot engage in democracy, but at least there is a pluralistic national identity, otherwise the country will be divided. The collapse of the Soviet Union, the break-up of Yugoslavia, and today's Ukraine are all due to the absence of a basic national identity among ethnic groups.

The other is shared faith. Even Satolli, one of the most powerful proponents of liberal democracy, says that without political consensus, multiparty rule is dangerous (Satolli, 2006). Indeed, in Western countries such as Britain and the United States, no matter what the parties are, even the Communist Party, believes in the rule of law and an ideology based on liberalism. Thus, the condition of homogenization includes at least the existence of basic, at least approximate, shared beliefs in a country. The history of the Third Wave Democracy is that many countries have fought domestically and even led to international conflict precisely because of a lack of shared convictions. The problems of the "Arab spring" countries are in fact sectarian conflicts.

Third is the social structure of equality. Democracy itself is the product of social equality, so equality is the first condition of homogeneity. From Alexis de Tocqueville's point of view, American social autonomy on the basis of equality is itself a vivid expression of popular sovereignty. Many of today's failed democratic transitions are due to extreme inequality in social structures. In an unequal social structure, democracy is just another word for populism. Thailand and some countries in South America are typical examples.

In short, the reason why so many problems have arisen since the Third Wave Democracy, even international, domestic conflicts, can probably be found in the theory of democracy itself and the homogeneous conditions of democracy. The conflict of partisan democracy is inevitable if the conflict of partisan democracy takes place in a country with different political beliefs and a nation-state or a country with serious inequality in social structure. It is worth repeating once again the simple truth that partisan democracy is itself a conflict, and that conflict is reinforced by competitive elections, which are political mobilization based on parties, beliefs and ethnic groups in heterogeneous countries.

In this way, Huntington's model of "the clash of civilizations" can be expanded into a model of "the clash of Democracies". Why does the "clash of civilizations" happen? Huntington lists five reasons: First, everyone has multiple identities, which may compete with each other or reinforce each other, and people around the world differentiate themselves by cultural boundaries, so conflicts between cultural groups are becoming increasingly important, the clash of groups of civilization would be at the center of global politics. Second, the modernization movement stimulated the local identity and cultural renaissance of non-Western countries. Third, any level of identification can only be defined in the relationship with the "other", while the

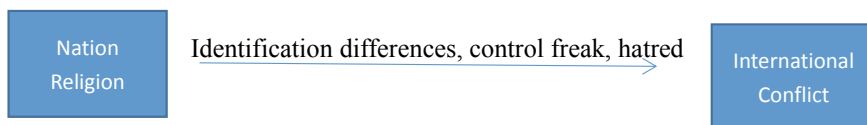


Chart 20.1 Pattern of the clash of civilizations

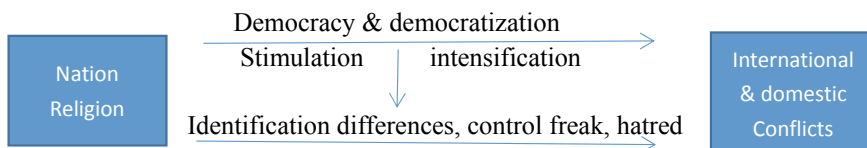


Chart 20.2 Pattern of democratic conflicts

improvement of transportation and communication leads to more frequent interaction among people of different civilizations and the result is a more pronounced identification with one's own civilization. Fourth, the control of other groups has always been the oldest source of conflict, with different civilization states always trying to impose their values, cultures and institutions on another civilization group, and conflicts of material interests that can be resolved through negotiations, but the clash of civilizations cannot be resolved through negotiation. Fifth, common sense is that hate is of human nature. People need enemies. Conflict is everywhere. "The end of the Cold War did not end the conflicts, but rather gave rise to new patterns of culture-based identity and conflicts among different cultural groups (at the broadest level, different civilizations)" (Huntington, 2002: 133–135). This is the pattern of what Huntington calls the clash of civilizations. Chart 20.1 illustrates this at a glance:

But do different identities of civilization necessarily lead to conflict? Huntington's list of causes above is essentially a general law of cause and effect, but the problem with the general law of cause and effect is always specious: One cause causes N results, and one result can be caused by n causes. A mediation mechanism from cause to effect needs to be found.

Then what is it that makes different civilization identities end up in conflict? I think one important answer is partisan democracy. With partisan democracy, Huntington's "clash of civilizations" model evolved into a "clash of democracies" model (see Chart 20.2).

Democracy comes from the West, and Westerners, especially Americans, naturally vigorously promote democracy. However, institutional change is full of unintended consequences, and democratization, as a form of globalization, ultimately stimulates the identification of indigenous cultures and reinforces ethnic and religious differences, creating a stronger desire for control among different ethnic groups and religions and the resulting hatred of other ethnicity, which ultimately leads not only to international conflict, but is also accompanied by frequent internal conflicts as well as international conflicts triggered by internal conflicts.

(4) Why “the expected good becomes an unexpected evil”: the nature of liberal democracy

According to my long-term research, liberal democracy is a kind of “revolutionary theory”, which cannot be used to govern a country. Liberal democracy sounds good. There is freedom, and there is democracy, which is a favorite of intellectuals. But it is a revolutionary theory. As you know, freedom is predicated on the rule of law, and that society is, above all, governed by the rule of law; behind democracy is authority, when you say you want democracy, you cannot say you don't want authority or centralization. So liberal democracy hides many things. Such a revolutionary theory becomes neoliberalism in the new era, which I call “Bermuda Triangle”: political democratization, economic privatization and marketization, and socialized governance. All these “three zations” are of de-governmentalization and de-nationalization, emphasizing that social rights are individual rights, but developing countries cannot organize themselves, if you give them the “three zations” plan, they will go astray. We must understand the simple truth that good ideas do not mean good politics. Just as the good idea of socialism has troubled us throughout history, liberal democracy is also in great trouble. It can defeat its opponents, but it cannot build itself. The American system of government is so complex, how can a liberal democracy sum up it?

20.2 People's Democracy: Comparative Advantages, Challenges and Countermeasures

How to view China is a hot topic at home and abroad because the Chinese people used to be very pessimistic about themselves, but there has been a strong China, and foreign observation is wrong again and again. Therefore, we need a new vision for understanding China.

About the political perspectives in observing China, the popular one is “the China in ideas”, the question is, where do the ideas come from? It has been decades since the reform and opening-up, and in the past, we have always been open to the West, and we understand the world in terms of ideas and facts that come mainly from the West. To observe China in this way, China is not a normal country. As China has come to this day, it is necessary to open a second door to the outside world to look beyond the West, that is, what the vast majority of developing countries look like, such as Latin America, Africa, and India, Bangladesh, Indonesia, the Philippines in Asia. Not only that, even Western countries have come from history, what is the process of its modernization? It has been accompanied by a crisis of governance, one crisis after another. From the vertical big history to the horizontal big space, which I call “big cross thinking”, it can help us jump out of the world of ideas and see the real history and reality, thus observing China from the perspective of comparative history and world politics, and the conclusions may be quite different. That is what complexity theory tells us, that different levels of observation lead to different conclusions. It has to be said that the Chinese are not good at theoretical

construction. The theories we use to observe problems are all other people's, but the Chinese are not bad at historical studies, at the very least, we should explore new historical knowledge and practical experience to enrich our vision, and not just stay on the theory of "borrowism". Moreover, any politics needs to be critiqued when it comes to theory versus political reality.

(1) Comparative advantage of people's democracy

"Discovery" of China in comparison. First of all, comparative study is the issue of comparability, where there is not only the size of the country, but also the historical stage of national construction. There are only 12 countries with more than 100 million people in the world, including industrialized Russia, the United States and Japan, and we all know how they got here, whereby plundering was important to their development. For example, through the Treaty of Shimonoseki, Japan plundered 200 million taels of silver from China, more than its two years of gross national product, and Japan became a great power since then. The other nine are China, India, Bangladesh, Pakistan, Indonesia and the Philippines in Asia, Nigeria in Africa and Brazil and Mexico in Latin America. What did the comparative study find? 1:8, that is, only one people's democracy, that is China, and the other eight are all Western-style democracy. What is the level of governance in these countries? Can they be compared to China? The good and the bad are clear. The leading scholars of American economics put forward the so-called inclusive system and extractive system, which are the root of the rise and fall of a country. In the preface, they declared that if poor countries want to be rich, they must first make political transition, that is, move toward liberal democracy, and take Botswana in Africa as a model, extolling the transformed Brazil (Acemoglu & Robinson, 2013: 29, 434–438). How about Brazil today? Furious political fighting is endless, the innocent President Dilma Rousseff was impeached, and the speaker of the house, who is suspected of being a criminal, is still sitting on the throne. What kind of "new star" is Botswana? With a population of 2 million, a highly homogeneous population known as the Sivato, there are competitive elections, but the administrative system is centralized, with GDP less than \$7,000 per person today. A small country like this, has been advertised by the "international community" as a model everywhere.

The comparative study finds that the Chinese intelligentsia is seriously disturbed by false knowledge and false truth. Because of the lag in Chinese social sciences, many people regard fragmentary knowledge or even false knowledge as belief, and moralize fragmentary knowledge, thinking that they hold the moral high ground. According to my theory of democracy, the popular notion that "civil society is the basis of democracy" is a kind of false knowledge; of course, there are Alexis de Tocqueville good civil societies and then Hilary Putnam's good civil society (northern Italy) and bad civil society (southern Italy), while in reality some civil organizations, such as the Egyptian Brotherhood, came to power and became despotic, fascism in both Italy and Germany was born out of well-developed civic organizations (杨光斌, 2015: 224–255). Therefore, to talk about such "common sense" of civil society, we need basic knowledge based on comparative political research. In addition, "only the authorization of elections has legitimacy", which is a completely revolutionary theory. The government that emerges from partisan struggles in many countries

in transition does not even have the function of governance, let alone legitimacy, or even moral character, because governance is the professional morality of the government, an ungovernable government is amoral (Yang & Guangbin, 2016d). There are many similar false knowledge, and we need to find “new common sense” on the basis of research, but we cannot regard false knowledge as common sense.

(2) Challenges and countermeasures of people's democracy

Comparison generates self-confidence, but the Chinese people have no reason to be blindly self-confident. They must see a series of challenges to people's democracy. First, people's democracy is not only a system, a road, but also an ideology and ideological trend. Therefore, as a political ideology, people's democracy is bound to be affected and even impacted by international political ideological trend. Second, the main body of people's democracy is the people and the CPC. The “people” who are not organized by the CPC cannot be called the whole people and are a mass of atomized individuals. Therefore, the fate of people's democracy depends on how well the party nature of the CPC is maintained, and the party nature of the CPC represents the people nature. Third, as the first political subject, the “people” is represented in the political life as the social organization composed of individual citizens and organizations of various natures. Therefore, the realization of civil rights determines the realization of people's democracy. Fourth, and related to this, the profound changes in the social structure brought about by the market economy have placed the “people” in different structures or social strata, the natural marketization inevitably impacts the rights and interests of those “people” as a part of the social vulnerable groups. Fifth, the long chain of administrative system is necessarily bureaucratization or bureaucratic, such a government is in danger of deviating from the people. In this way, people's democracy faces at least “five challenges” of international ideological trend, party spirit, social structure, bureaucracy and democratic political construction itself. The “five challenges” will need to be addressed in a special book and here only a simple exposition can be done.

A. International trend of thought and people's democracy. In the established world political system, the most popular or influential is undoubtedly liberal democracy packaged as “universal values”, the core of which is “political democracy” and “economic freedom”. The “borrowism” process of Chinese social sciences also determines that many Chinese, including the elite, pursue or treat liberal democracy as a “universal value”. We believe that the greatest danger in China today comes not from financial risks, environmental pollution, foreign infiltration, but from lack of self-confidence due to the lack of its own voice. For a big country like China, its governance is undoubtedly much better than comparable countries like India and Mexico, but many elites think China is wrong, because they are used to measuring China by Western theoretical and political standards.

In this case, people influenced by Western social sciences began to question China's model of people's democracy. They believed that people's democracy could not adapt to the development of the market economy, and the interest diversification caused by the development of market economy also needs to introduce the multi-party competition mechanism of Western liberal democracy to break the monopoly of the one-party rule of people's democracy. There are two ways of thinking behind

this idea: One line of thinking holds that China's political system is not conducive to the development of the market economy and capitalism, and that only by carrying out Westernized political system reform can China implement a real market economy and make the invisible hand really play its role. This would ultimately promote China's economic development, which might be called the economic liberalism, and is essentially indifferent to whether China is a democracy; and its negation of China's political system is in essence a negation of China's economic development model, a negation of state intervention in the economy, and a point of view that fully represents the newly rising capital elites after the reform and opening-up. Another way of thinking is that China's political system is not a true democracy, whose rejection of people's democracy is based on the belief that liberal democracy's multiparty system of competition is a more genuine democracy than people's democracy. Thus, they draw a parallel between multi-party system and democracy and question whether the people's democratic model is designed to promote democracy in China, and they favor ending the one-party rule of the Chinese Communist Party and achieving political freedom in China. Actually they don't care whether China can maintain economic growth and political stability after the realization of a multiparty system of competition. Political reform is their goal. This kind of thinking can be called political liberalism, which has the widespread influence in the Chinese broad social strata, especially the intellectual stratum. Of these two ways of thinking, one places the economic interests of capital above the interests of the state and the people, and the other places the implementation of a political idea above national security and social stability, both of which assume that China would do better if the other model were adopted, ignoring the fact that China has achieved remarkable social and economic development under the political system of people's democracy.

We must realize the urgency of strengthening the study of power of democratic discourse. We must strengthen the study of democratic history, democratic practice and democratic theory, innovate original discourse of democratic theory, and put forward "new concepts, new categories and new expressions" in democratic field. In fact, the "electoral democracy" in the United States was created in response to the aggressive socialist movement or people's sovereignty after World War II. As a result, the United States not only relied on "hard power" such as economy, military and technology to confront the Soviet Union, but also relied on "soft power" such as freedom and democracy to destroy its adversaries.

B. The nature of CPC and people's democracy. It goes without saying that the CCP cannot become an American style pluralism party; even if it becomes a multi factional Kuomintang, that would be the CCP's failure and the doom of people's democracy. As pointed out many times in this book, the vitality of people's democracy comes from the unity of party nature and people nature, and from the representativeness of the Communist Party. Like any organizations, party organizations need a process of replenishment or they will run out of steam. It is especially the case after the transition from the revolutionary party to the ruling party, and especially when in power in the social structure of the market economy, that for a party organization that already has more than 80 million members, it is a natural challenge to "remain

true to the original intention” and to maintain the purity, progressiveness and even the sense of organization and discipline of the Leninism party.

For a one-party ruling party, unity determines the fate of the party, the Soviet Communist Party, the Kuomintang and the Chinese Communist Party are all the same. The party split in the 1980s over the Mikhail Gorbachev's political reforms, and politburo member Boris Yeltsin's independent run for president of the Russian Republic opened the door to the party's defeat. The KMT regime was defeated in factional struggles on the mainland, and in Taiwan by a split within the party, first with the “New Party”, which split from the KMT, and then with James Soong's “People First Party”, and lost to the DPP in the 2000 elections as a result. The Kuomintang has always been accompanied by factional struggle within the party. For the CPC, intra-party solidarity has always been a magic weapon, but the 1959 Mount Lu conference shook the democratic life of the party, and the “Cultural Revolution” left the Party in a perpetual state of political struggle, severely undermining its ability to serve the people. Ten years after the reform and opening-up, party unity was challenged again by the political turmoil of 1989. After that, the Party entered into a 20-year political unity, which was the fundamental guarantee for the rapid progress of reform in this period. But the cases of Zhou Yongkang, Xu Caihou, Guo Boxiong, Ling Jihua, Bo Xilai, and the corruption cases of nearly 100 generals all marked a serious challenge to party unity. In response, General Secretary Xi Jinping put it bluntly: “The party has no special interests of its own except the interests of the working class and the broad masses of the people. If you have your own self-interest, you can do anything. There can be no interest groups of various kinds within the party, nor can there be any political interest groups within the party colluding with others outside the Party and trading in power and money. The Central Committee's unswerving opposition to corruption is aimed at preventing and eliminating the influence of such illegal interests on the Party's political life and restoring the Party's good political ecology, and the sooner, the more resolute and thorough this work is done, the better” (Xi Jinping, 2015a). The existence of these interest groups, on the surface, corrupts the political ecology, but fundamentally is the social structure interest group, and the degree of its infringement on the social justice and the people's subjective status, must not be underestimated. A lesson learned from the past is a guide for the future. The reasons for the failure of the Communist Party of the Soviet Union were very complicated, but one of the important lessons was the collectivization of the privileged class, which was the fundamental resistance to the later reform. Mikhail Gorbachev tried to fundamentally remove this “institutional obstacle”; however, due to a subversive error in the reform strategy, the result was the total annihilation (Yang & Zheng, 2007).

To this end, the CPC put forward in 2015 the “four comprehensive strategies”: to comprehensively realize a moderately prosperous society, comprehensively deepen reform, comprehensively rule the country by law, and comprehensively exercise strict governance over the party. In exercising strict governance over the party, we must not only address the long-established “four winds” of formalism, bureaucracy, hedonism and extravagance, we also need to keep up with the Party Central Committee, abide

by political rules and disciplines, have political stance and political determination, so as to repair the damaged political ecology.

The key to strict governance of the party lies in the “key minority”. The “top” of the “key minority” is the unity of the upper stratum, and the “bottom” is the direct contact with the people of more than 2,000 county party secretaries. If there is a unified leadership at the top and a down-to-earth atmosphere at the bottom, that is, county party secretaries who truly serve the people, the fundamental basis of China’s political development will not go wrong and will not be shaken. It is important to recognize that county level government has become very hierarchical, and that there are very few party secretaries like Jiao Yu Lu who went directly into the countryside and mingle with the people. This is a product of the times. First, the county government manages a number of “yamen”, including more than a dozen “department-level” and “bureaus” of the public security bureau, the judicial bureau, the education bureau and so on; second, a county government has a number of townships, in the East central part of the China, with a population of up to 2 million, equivalent to the size of a small country, and a few hundred thousands of people in a small county. With such a scale and structure, getting the party secretaries and the people together is an unprecedented challenge. In this regard, there should be a special work code for county party secretaries, which stipulates several days a week for them to eat, live and work together with people, so as to ensure that the Party’s “mass line”, which keeps close contact with the masses, plays a practical role.

C. Bureaucracy and people’s democracy. Even if the Party nature and the people nature are in line, bureaucracy cannot be eliminated. Bureaucracy resulting from hierarchical system is an old problem in political science. As we know, Marx and Lenin classified classes on the basis of ownership of means of production, and while recognizing this basis, Max Weber proposed the concept of “status group” as a supplement to Marxist class analysis. The so-called “status group” is a group that has special talents and skills and enters the ruling class, such as the medieval clergymen, soldiers of all ages. The concept of class is evolving. After the October Revolution, Leon Trotsky put forward the theory of constant revolution to abolish the autocratic bureaucracy, which was obviously a great challenge to the Soviet system at that time. In the post World War II socialist camp, Yugoslav vice-president Gieras published the *New class: An analysis of the Communist System* in the early 1950s, calling the Soviet privileged stratum “new class”. Socialist countries generally criticized the book, but China did not do so. At the Second Session of the Eighth Party Congress in 1956, Mao Zedong pointed out, “We must be vigilant against the growth of bureaucratism and the formation of an aristocracy detached from the people.” Obviously, Mao Zedong had seen the possibility of a “bureaucratic class” created by the hierarchical system, which was probably what he later called the problem of “Capitalist Roder”. A few years after the founding of new China, dissatisfied with the hierarchical system, during the Great Leap Forward, Mao Zedong created a unified leadership system for the party that sought to rid itself of the scientific technocrats who ruled the country, that is, to set up various leading groups of the party that were directly responsible to Mao Zedong. However, the leading group system could not work without the administrative system of the state council.

From the central government to local governments, the administrative system consists of the central government (including national ministries), the provincial governments, the municipal governments, the county governments and the township governments. In such a long political chain, it is inevitable that the traditional so-called “strip-block relationship” emerges. “Strip” is the relationship among governments at all levels, and “block” is the relationship among local governments. In this way, it is possible to form the tension and competition among the “strips”, and more likely to form the tension among “blocks”, especially competition. Under this system, the incentives of GDPism determine many of the local governments’ decisions, such as making land development the main source of revenue, a process that not only generates a lot of corruption, also because of illegal demolition, directly infringes on the interests of the mass, and by raising the cost of living, directly infringed on the interests of the people as a result.

Although bureaucracy is an age-old problem, it is easier to form power rent-seeking and “government-business alliances” in an era when the government still controls the largest resources, such as land and project approval, while at the same time being in a market economy, which is a direct threat to the interests of the people. According to the reported cases, corruption at all levels and on all scales is largely the result of administrative approvals and projects, and the big cases like Liu Zhijun’s high speed railway case and small cases like corruption cases in a county, all of which are the same. The result was a political ecosystem in which more approvals mean more rent seeking, resulting in the near total annihilation of the Department of Energy and the Department of Price of the National Development and Reform Commission (see Table 20.1).

The “tragedy” of the NDRC can only be explained by the fact that there is a serious asymmetry between the functions of the government and the market economy, and the government has monopolized too many resources by relying on its statutory authority. The “general root of disease” at the beginning of the reform and opening-up was what Deng Xiaoping called the excessive concentration of power, especially by the Party secretary and the top leader. However, after more than 30 years of reform and opening-up, China’s “general root of disease” is the huge resources accumulated by marketization that are monopolized by the state, that is, the monopoly of resources by the government; otherwise, it is difficult to imagine why so many people strive to be the “servant” of the people like crucians crossing the river. Therefore, we must and should seek a solution to the problem of government monopoly of resources. So far, the government function is still characterized by the planned economy, whose evil result is to use the public power to set the threshold for entering the market and to seek rent, greatly increasing the market transaction cost. Power must therefore be cut off at the source.

A bureaucracy with vast resources allied with capital forces in a new social structure, not only does harm to the people’s interests, but also may ultimately kidnap the fundamental political system—the People’s Congress.

D. Social structure and people’s democracy. The decision of the Fourth Plenary Session of the Sixteenth Central Committee of the Communist Party of China points out that since the reform and opening-up, China’s social structure has undergone

Table 20.1 Some of the officials of the National Development and Reform Commission (NDRC) who have been taken down for corruption

Name	Former position	Date of removal
Liu Tienan	Deputy Director	May 2013
Cao Changqing	Director of the Price Division	August 2014
Liu Zhenqiu	Deputy Director of the Price Division	September 2014
Zhou Wangjun	Deputy Director of the Price Division	September 2014
Li Caihua	Deputy Director of the Price Division	September 2014
Guo Jianying	Deputy Inspector of the Price Division	September 2014
Zhang Dongniu	Director of the Finance Division	August 2014
Xiong Bilin	Deputy Director of the Industrial Division	May 2013
Xu Yongsheng	Deputy Director of Energy Division	May 2014
Liang Bo	Deputy Director of Energy Division & Electric Division	June 2014
Wei Pengyuan	Deputy Director of Energy Division & Coal Division	May 2014
Hao Weiping	Director of Energy Division & Nuclear Power Division	April 2014
Wang Jun	Director of Energy Division & New Energy Division	May 2014
Yao Mugen	Director of DRC of Jiangxi Province	March 2014
Liu Xueku	Director of DRC of Hebei Province	January 2014
Zhu ZuoZhi	Director of DRC of Shaanxi Province	February 2014
Ling Zhengce	Director of DRC of Shanxi Province	June 2014

profound changes, and profound adjustment of the interest relations and profound change of the political concept have also taken place as a result. The market trend-oriented reform will inevitably lead to the diversification of interests and the differentiation of social structure, forming the “strong” and “weak” structure which has been discussed historically and theoretically. But this is hard to avoid. That is to say, the market economy is bound to create a political class based on the power of capital that is common to all countries, and correspondingly create a powerless “silent majority”. Over the years, more and more groups have been going to pay their respects at Chairman Mao’s former houses. These changes are in fact a reflection of political psychology; Mao Zedong is a symbol of egalitarianism, the sustenance of the national spirit, so in the civil society, the statue of Mao Zedong was sacrificed as an “idol”.

At the same time, the market economy has formed a powerful group of capital forces, who have already been able to command the wind and rain, hugely influencing social trends such as the consumerism guided by Taobao. More importantly, as in other countries, when the capital group is strong enough, it must have a political voice or seek political proxies, to better protect their own interests or to be more able to maximize their own interests. One of the mechanisms by which capital strength is transformed into capital power is electoral politics, and it is the same abroad and at home.

From the corrupt election of deputies to the People's Congress of Hengyang, to the corrupt election of the Party Committee of Nanchong, to the unprecedented corrupt election of the member of the National People's Congress of Liaoning Province, these are all signs of direct control of political power by economic power.

The series of bribery cases in Liaoning Province is particularly worth studying. A series of bribery cases in Liaoning Province have been exposed three times. They are the election bribery case in the election of the Standing Committee of the Liaoning Provincial Committee of CPC in October 2011, the election of Vice Director of the provincial People's Congress in 2013 and the election of the representatives to the twelfth National People's Congress from Liaoning Province in 2013. In particular, the third case had a wide range of implications, enraging the central leadership. On January 27, 2013, at the second plenary session of the First Session of the twelfth Liaoning Provincial People's Congress, a total of 102 representatives to the twelfth National People's Congress were elected. Of these, 45 members of the National People's Congress were illegally elected by soliciting votes with bribes, and as for the 619 deputies to the 12th Liaoning Provincial People's Congress who voted on the same day, as many as 520 were involved in bribery, and the sums involved were also staggering, some paying bribes of more than 4 million yuan. The twenty-third meeting of the Standing Committee of the twelfth National People's Congress legally invalidated the election of the 45 representatives of the National People's Congress who had solicited votes and bribed voters. "The Liaoning election bribery case is the first major case to be investigated and dealt with at the provincial level since the founding ceremony of the People's Republic of China, involving serious violations of Party discipline and the law of the People's Republic of China, serious violations of political discipline and rules, serious violations of organizational discipline and discipline for the change of the leadership, and serious damage to the inner-party election system and the electoral system of the People's Congress. The cases involve a large number of persons, the nature is nasty, the circumstances are serious, startling and astonishing." "To solicit votes and bribe voters is a blatant challenge to the system of the people's democratic congress and socialist democracy in China" (人民日报, 2016).

The analysis of the results is worth further thinking. The quota of representatives to the National People's Congress is 102, but half of them are designated and capped, such as, the representatives of the central government who are from Liaoning and share Liaoning's quota, and there is the designated quota for professionals. As a result, the representatives to the National People's Congress, which are elected by the Liaoning Provincial People's Congress, are only about 50, but 45 of whom were elected by bribes, and of these 45, only two are not businessmen, while 43 are bosses of state-owned enterprises or private enterprises (Table 20.2).

This book has pointed out that state power consists of political power (in China, it is the leadership of the Party), capital power and social power, while Western political theory packed capital power into social power, which competes with political power. In fact, how can the capital power be equal to the social power of the common people? The power of the businessmen is the power of capital, not the power of society. Capital power can easily form alliances with political power, as has been

Table 20.2 Basic information of the 45 representatives to the National People's Congress suspected of election bribery in Liaoning

Serial	Name	Basic information
1.	Yu Hong	CPC member, Board Chairman of Huludao Hongyue Group
2.	Wang Wenliang	The Chairman of Rilin Group, ranks 190th on the 2011 China Forbes Rich List
3.	Wang Zhanzhu	CPC member, former Director of Shenyang Railway Bureau
4.	Wang Shoubin	CPC member, senior economist. Chairman, General Manager and Party Secretary of Blue and white group. Secretary of the Party Committee and Director of the Village Committee of Qinghuayu village, Dashiqiao city. Representative to the 8th, 9th, 10th, 11th National People's Congress. A national model worker. President of China Refractory Association, president of Yingkou Refractory Industry Group
5.	Wang Baojun	Chairman of the Board of Hongyun Group
6.	Wang Chuncheng	Chairman of Liaoning Chuncheng Industry and Trade Group, representative to the National People's Congress since 2008
7.	Fang Wei	Chairman of the Board of Liaoning Fangda corporate Industrial Company
8.	Bao Zichen	Chairman of the Benxi Mining Group Co., Ltd.
9.	Qu Baoxue	Chairman of Liaoning Baolai Petrochemical Group
10.	Zhu Jingli	CPC member, senior engineer, PhD. Deputy General Manager and Deputy Secretary of CPC Committee of Sinopec Liaoyang Branch
11.	Liu Yunwen	CPC member, General Manager of north China Weapons Huajin Chemical Industry Group Co., Ltd.
12.	Liu Zhixu	CPC member, Master degree, Chairman of the Board, General Manager, Chairman of the Strategic Committee of the Board of Zhongxing Shenyang Commercial Building (Group) Co., Ltd.
13.	Liu Qinglian	CPC member, General Manager of Linghai Dalian Sea Treasures Breeding Co., Ltd. of Liaoning Province
14.	Liu Fuxiang	Chairman and Party secretary of Fuxin Mining (Group) Co., Ltd.
15.	Qi Mu	CPC member, Ph.D., General Manager of CITIC Jinzhou Ferroalloy Co., Ltd.
16.	Sun Shoukuan	Chairman of Liaoning Jiachen Group Co., Ltd.
17.	Li Yuhuan	Kesenmeng Group Co., Ltd., corporate representative, General Manager
18.	Li Dongqi	CPC member, former Chairman of the Board of Directors of the Shenyang Zhongyi Group
19.	Li Haiyang	MBA, economist, Chairman and President of SG Automotive, and Chairman of Liaoning Shuguang Industrial Group Co., Ltd.

(continued)

Table 20.2 (continued)

Serial	Name	Basic information
20.	Yang Min	Chairman of Fushun Hanwang Group, top 10 economic women of 2005. In 2006, the Hanwang group ranked no. Eleven in the top 100 tax payers of private enterprises in China. Representative of the 11th National People's Congress, won the national May 1st labor medal, and twice won the national March 8 Red-Banner Bearer, won The title of "Excellent Socialist Builders"
21.	He Zhusheng	General Manager of Haicheng Houying Magnesia Group, awarded the "National Township Entrepreneurs" honorary title by the Ministry of Agriculture in 1991 and 1995
22.	Leng Shengjun	General manager of Renlian Petrochemical Company, Deputy Party secretary
23.	Song Shuxin	CPC member, Chairman and President of Huludao Seven Star International Investment Group Co., Ltd.
24.	Zhang Wencheng	General Secretary of the Party branch of Sijiatun Street, Xingcheng city, Chairman and General Manager of Sijiatun Enterprise Group Co., Ltd.
25.	Zhang Yukun	Senior economist, Party Secretary, Chairman and President of Shengjing Bank
26.	Zhang Zhanyu	Chairman of Linghai Electric Power Group, Secretary of the Party branch and Director of the Village Committee of Xiaowuqi village, Santaizi town, Linghai City. representative of the 10th, 11th and 12th National People's Congress
27.	Zhang Guojun	Chairman of Liaoning Wanhua Group Co., Ltd.
28.	Zhang Surong	General Manager of Anshan Women's Community Service Co. Ltd. and President of Anshan Family Service Industry Association, representative of the eleventh and twelfth National People's Congress
29.	Zhang Zhenyong	Senior engineer, Chairman, General Manager and Deputy Secretary of the Party Committee of Linggang Group
30.	Zhang Xiaofang	Senior engineer, PHD, Chairman and Party Secretary of Benxi Steel Group Co., Ltd.
31.	Zhang Tiehan	Party Secretary and General Manager of Anshan Baode Iron and Steel Co., Ltd., donated nearly 80 million yuan to help the poor and the aged. awarded the National Charity Donation Award by the Ministry of Civil Affairs several times. "National Model Worker"
32.	Jin Zhanzhong	Founded Liaoning Tieling Jindu Group, Chairman and General Manager
33.	Liu Changqing	Professor, Chairman of the Board, Julong Group of Liaoning University of Science and Technology
34.	Jiang Xiuyun	Consultant of the First Cadre Division of the Organization Department of Liaoning Provincial Party Committee

(continued)

Table 20.2 (continued)

Serial	Name	Basic information
35.	Yao Tingcai	CPC member, General Manager of Liaoning Huafu Printing and Dyeing Co., Ltd.
36.	Geng Hongchen	CPC member, currently chairman of the North Heavy Industry Group Co., Ltd.
37.	Gao Baoyu	Former Chairman and former Secretary of the Party Committee of Yingkou Port Group Co., Ltd.
38.	Guo Guanghua	CPC member, Chairman of Xinhua Long Industrial Group Co., Ltd., Jinzhou, Liaoning Province
39.	Chang Wei	President of Yingkou Urban Planning and Design Institute
40.	Han Youbo	CPC member, senior engineer, member of the Standing Committee of the CPC Tieling Municipal Committee, Chairman of the Board, Party Secretary and General Manager of the Iron and coal group. Chair and General Manager of the Liaoning Tiefert Energy Co., Ltd. Chairman and General Manager of the holding subsidiary iron and coal group
41.	Kai Hui	Ph.D. Secretary of the Party Committee, Chairman, Executive Director, member of the nomination and Remuneration Committee of Port of Dalian Group Limited, and Chairman of the Board of Directors of North East Asia Spot Commodity Exchange Limited
42.	Xie Wenyan	Assistant Director of Liao River Petroleum Exploration Bureau, Assistant General Manager, Deputy General Manager and General Manager of CNPC Liaohe Oil Field
43.	Tan Wenhua	Chairman of Board of Directors of seven companies including Jinzhou Sunshine Energy, representative of the eleventh National People's Congress, "national model worker" honorary title winner
44.	Yan Fulong	Former General Manager of Liaoning Electric Power Co. In December 2014, he was arrested on suspicion of taking bribes
45.	Wei Lidong	General Manager of Jinzhou Petrochemical Company, winner of National Labor Medal in 2016

Source 辽宁贿选案的 45 名全国人大代表都是干啥的? (What Are the 45 Members of the National People's Congress Involved in the Bribery Cases in Liaoning Province?) (https://www.guancha.cn/FaZhi/2016_10_17_374329.shtml), September 13, 2016

shown in many countries. In other words, without a Communist Party that represents the people, China would be no different from any other country, and political power would become a puppet of capital power. The story of what has happened in China tells us when some intellectuals preach political freedom without partisanship, are they advocating for their own interests or speaking for the power of capital?

E. Deficiency of democracy and People's democracy. According to the concept of "world values survey" mentioned above, democratization driven by "self-expression values" does not necessarily lead to good democracy and good governance, and in many cases bad democracy and bad governance. Even so, it cannot stop the rising enthusiasm for political participation. No matter how well the rulers govern, people

still have to express their interests autonomously, as in the cases of Singapore and Hong Kong of China. Comparatively speaking, mainland China does not have the homogeneous conditions for democratic politics: There are “Taiwan independence” and “Hong Kong independence” forces outside, “Xinjiang independence” and “Tibet independence” forces inside; ideological left–right confrontation is serious, and there is no basic political consensus; and the social structure of urban and rural dual is of serious inequality. In this heterogeneous national conditions, the results of competitive elections, that is, partisan democracy, are expected.

In order to avoid bad democracy and bad governance, we must innovate the form of democratic politics. In this regard, the decision of the Third Plenary Session of the eighteenth Central Committee of the Communist Party of China on deepening reform in an all-round way pointed out the establishment of an all-round, consultative democracy at all levels. This is a good design, and it can also be used as an alternative to competitive elections as a form of democracy. However, it should be noted that this is a flexible form of democracy that is more difficult to implement than electoral democracy. It should also be noted that the establishment of consultative democracy is the most difficult area in all reform programs. Even so, in order to avoid the bad governance brought about by competitive elections or partisan democracy, the rulers must make great efforts to build consultative democracy so as to effectively integrate social needs and participation in the decision-making process.

In the process of building democratic politics and improving democratic form, the leadership of the Party is indispensable. The experience of democratic politics in many countries tells us that the more developed the form of democracy, the more difficult it is for the government to govern, because the form of democracy is hijacked by various interest groups, such as the capital power group in the Liaoning election bribery case. There are also various local forces, including family and religious forces that have become involved, with the result that democratic elections, civil society organizations, and so on, have become only new forms of strengthening the old social structure, which is true in South Asian countries such as India, Bangladesh and Pakistan, as well as in Africa and Latin America, and electoral politics reinforces what Huntington calls “praetorian society” and what Migdale calls a “strong society” of warlords, landowners, tribal chiefs, and merchants.

In the social structure of a “strong society”, the “people” are merely atomized individuals, their status is like fish and shrimp, and the right to vote is only a symbolic consolation. The late-developing countries generally have a “strong society” structure, so a political force capable of counteracting all kinds of “strong societies” is especially needed. In China, it is the Communist Party, which even the Kuomintang is not up to the task, for the Kuomintang itself was a hodgepodge of “strong societies”. That is to say, how to maintain the leadership of the Communist Party in developing democratic politics is the key to China’s political development in the future.

Part V

The Political Institution for Realizing People's Democracy: Democratic Centralism

As regards “people’s sovereignty”, people’s democracy is about both institution and value, but the value is more significant because people’s democracy is the democratic mode of value (the value mode of democracy). The problem is that the politics of modernity is the politics of people and the politics of the rights of the masses, so since Jean-Jacques Rousseau put forward the idea of “sovereignty of people”, democracy of all kinds claims to be the democracy of people. In the *Common Sense*, Paine, an Englishman, spoke of “sovereignty of people”, instigating the American revolution, but after independence, Paine was excluded from the constitutional process. Though discontented with the English aristocracy, Paine had no choice but to go back to his hometown, and die in loneliness, and the Americans built what Paine opposed as a “government that prevents the direct participation of the majority in government and administration”, known as a “composite republic”. The French Revolution was storming the Bastille under the banner of Jean-Jacques Rousseau’s ideas, but the idea of “popular sovereignty” was transformed into politics of the square, and the removal of the head was decided by the cheer, the experiment of “people’s sovereignty” turned into a mob dictatorship feared by future generations. After World War II, the world entered into a cold war politics or religious ideological war, and “people’s sovereignty” was transformed beyond recognition by the liberal democratic theory, so that in theory, liberal democracy has systematically replaced “democracy”, which has always been centered on majority rule. In non-Western countries, as a value of modernity, “people’s sovereignty” also has a problem of how to gain a firm footing, although the subject of class revolution or national liberation politics in non-Western countries is the whole people.

In this context, the Chinese revolution with workers and peasants as the main body is a typical people’s revolution and a struggle for people’s sovereignty. However, after the revolution there was also a question of how to settle down or how to realize the political system of “people’s sovereignty”. Following the path of the October Revolution, the Party’s practice of people’s democracy is, of course, democratic centralism. Although they are both democratic centralism, China’s is distinctly different from Soviet Russia’s, which can be said being similar in form but different in spirit. The

obvious difference is that there is a Chinese people-oriented spirit above the democratic centralism, whereas in Soviet Russia it is more of a direct form of power organization. Another difference is that the ethnic composition of the Communist Party of China who pursues democratic centralism is highly homogeneous, that is, it is of largely one ethnic group, whereas in Soviet Russia, Russians make up 44% of the entire Soviet population, Russians make up 42% of the Bolsheviks, the majority of whom come from other ethnic groups (赵鼎新, 2016). The tension between the ethnic groups directly impacts the democratic centralism, and the collapse of the Soviet Union was first caused by the tearing apart of nationalist forces. Therefore, it is imperative not to label Chinese politics as "Soviet-style" because of the democratic centralism regime, or to compare the terrible fate of the Soviet Communist Party to that of the Chinese Communist Party.

Theory is the crystallization of practical experience. So far as China has come, which has challenged many of the theories that we are familiar with, and so the debate over the "China model" for explaining China's development and experience has ensued. I firmly believe that the core of the China model is the democratic centralism, which has gone through version 1.0 of the revolutionary period, version 2.0 of the first 30 years of the New China, and version 3.0 since the reform and opening-up. However, the theoretical research on democratic centralism at home and abroad completely lags behind China's practice, but here is a new interpretation of the theory of the democratic centralism and a new outline of the institutional dimension embodied in the democratic centralism.

Chapter 21

Debating “the China Model”



China studies has always been one of the important academic traditions and research fields of the intellectual circles at home and abroad. The earliest Chinese studies can be traced back to the early sinology, especially after the opium war, when the door of the country was opened, the Western missionaries and scholars came to China to study Chinese history and culture and to show the unique features of the ancient Chinese civilization to the Western readers. After World War II, world politics entered into a phase of new order, and the so-called “modern China studies” arose in the context of highly ideological academic research by the Western scholars. They analyze China’s political, economic and social development from the perspective of practical political and diplomatic issues, and there are three main research paths: “impact-response” represented by John King Fairbank, “tradition and modernity” represented by Joseph R. Levenson, and “discovering history in China” represented by Paul Cohen.

Since the reform and opening-up, China’s rapid economic and social development has made great achievements that have attracted the attention of numerous scholars at home and abroad. Scholars have found that China’s change is no longer a response to external shocks, what needs to be done more is to start from China itself to find the internal reasons, and “take China as a method” to explore the rapid development of China’s social and economic theoretical basis. At the micro level, many scholars have conducted in-depth field investigations, hoping to find out the reasons for the development of market economy, social interior, rural construction and so on through an in-depth understanding of the reality of China’s economic and social development, and from behind the system, to understand the deep-seated cultural factors of China’s development. At the meso level, scholars think about the relationship between the Party and the government, the relationship between the state and society, the relationship between the central and local governments, and the relationship between the government and enterprises both vertically and horizontally; also from the perspective of globalization, they hope to explain China’s system transformation, to give a general overview of China’s economic and social development at the level of meso system. The studies on the above two levels have been numerous in the academic world, and there are many studies worth paying attention

to and continuing to study and explore; however, it is impossible to summarize the reasons for China’s political, economic and social development in an integrated way only by the research in various specialized fields. Therefore, in the view of many scholars at home and abroad, it is only necessary to give a general overview from a macro perspective, draw an overall outline of China’s development, and sort out the picture of China’s internal development and evolution. It is only by summing up and generalizing the theoretical achievements of meso-and micro-view can the track of China’s rapid development be well explained. Therefore, to extract the conceptual nature of China’s development model has become the goal pursued by scholars at the macro level.

21.1 The Presentation of the Concept of the China Model

Discussions about the China model began as early as 1992, after Deng Xiaoping’s Southern Tour Talk, but at that time the term “Chinese characteristics” was used preferably as a hot theoretical topic at home and abroad, which not only reflected the profound influence of China’s achievements in reform and opening-up on foreign scholars, but also made Western scholars gradually realize that the original theoretical paradigm could not fully explain the internal factors of China’s successful rise, and the language used to discuss China in the West was no longer applicable. In order to study China, they must take “China as the method”, attach importance with “China vision” to China’s experience in development.

The concept of the China model has become the focus of international attention. After Joshua Cooper Ramo, a senior adviser at Goldman Sachs, published an article on the China model, foreign scholars’ research on the China model reached a new climax. Ramo’s 2004 report, entitled “The Beijing Consensus”, was the first to formally introduce the concept of a “Beijing Consensus”, as opposed to the increasingly moribund Washington consensus, for which Ramo sees the Beijing consensus as a possible alternative (Ramo, 2004). Ramo equates the Beijing consensus with the China model, arguing that China’s reforms has kept the country’s development independent; on the contrary, the late developing Third World who followed the “Western dogmatic” path of development in accordance with the “Washington Consensus” has fallen into the “globalization trap” set by the advanced capitalist countries, which led Ramo to believe that, the “Beijing Consensus” can bring new prescriptions and hopes for world development after the “Washington Consensus” gradually disappears. Once the “Beijing Consensus” was put forward, it attracted a lot of attention from the scholars at home and abroad. Obviously, the concept was put forward with a strong political background. From the perspective of China’s economic achievements, it potentially revealed that China’s economic and social development has posed a great challenge to the existing order of Western capitalism.

On the economic front, China has enjoyed three decades of rapid growth, its GDP has become the second largest in the world, and its comprehensive national power has increased dramatically. In the society, China’s middle class began to grow bigger

in size, gradually becoming more stable, and the social security system has also been gradually improved; politically, the process of China's institutional transformation has not collapsed in the process of change as Western scholars expected, but has become more and more viable; and, the ability to govern and the system to govern have been pushed forward in an all-round way toward modernization. Ding Xueliang summed up the Chinese model from three aspects of politics, economy and society, corresponding to "state power, national economy and civil society"; the China model, he argues, should be positioned within the political economy when discussing the relationship between politics and economics (丁学良, 2011). But Ding Xueliang's overview of the China model disconnects the two periods of three decades before and after reform and also goes against the logic of the evolution of revolutionary history; it is obvious that this view of history is debatable. Professor Andrew J. Nathan, a well-known American expert on China, also pointed out that after the smooth opening of the 16th CPC National Congress, the leadership system of the Communist Party of China and the state has been institutionalized in four areas: the process of power transfer, the improvement of cadres' promotion, the differentiation of bureaucracy, popular participation and the broadening of channels for appeal. He believed that Chinese Communist Party had comprehensively consolidated and strengthened its power through a series of reforms, so he called this political model a "resilient authoritarianism" (Nathan, 2003). Japanese American scholar Fukuyama values China's development experience since the reforms, and acknowledges that there is a unique China model, and that, this China model and the unique tradition of Chinese political civilization have had a far-reaching impact on the modernization of the Asian region. According to Fukuyama, the China model includes a market economy, a one-party authoritarian government, an export led development strategy, and a relatively capable state; Fukuyama said, the combination of political authoritarianism and economic openness has made China's development model more successful than ever, and in the coordinate system he designed to measure the state of governance in each country, China is at the end of the spectrum where national capacity is strong and procedural constraints are weak, while the US is at the opposite end. But Fukuyama has not given up on his central belief: that a model of modernity other than liberal democracy will sooner or later come under pressure to democratize. He also stresses that such a China model, first, relying solely on exports to achieve economic development, and second, lacking accountability for the grass roots in the political system, would result in the government not being able to maintain high-quality governance capacity all the time. So, Fukuyama argues that China's development model is neither sustainable nor replaceable by other countries (Fukuyama, 2013).

As Western scholars fail to find a better concept to describe the process of China's economic and social development and political transformation, as well as the institutional malady that China is facing in its development, they find that the so-called conceptual label they have put on China could no longer solve the real problems at all, nor could they point out the real contradictions that China is facing. Instead, they turn from a "pathological analysis" of China's institutional mechanism to a "physiological analysis" of China's economic and social development and the functioning of the political system, focusing their attention on China's reform experience, and

conduct empirical research and highly conceptualize the theoretical concepts. This is the main reason why the “Beijing Consensus”, which Western scholars equate to the China model, has attracted great attention from scholars at home and abroad since Ramo’s report, and it is believed that if we understand the development pattern of China in more than 30 years in the past, we can figure out the “elephant” of the operating mechanism of China’s political system.

21.2 The Theme of the China Model

1. Reform and opening up and economic take-off.

The discussion of the China model began with a summary of China’s tremendous achievements in economic development. In 1994, Xu Chenggang and Weitzman proposed a paradox about the “China model”: According to a formal standard of mainstream property rights theory, the “China model”, as it is called, is supposed to be an economic disaster, an extremely unrealistic solution, and under the current ownership structure, the township and village enterprises should be inefficient and unaccountable (Weitzman & Xu, 1994). The paradox proposed by the two scholars in the 1990s, in fact, represents a widespread confusion in Western academic circles about why the “China model” has been successful economically.

As for China’s economic take-off, many scholars believe that the gradual economic reform led by the central government has brought into full play China’s comparative advantages and has formed China’s economic development by leaps and bounds by making good use of the comparative advantages of factor endowments, which is the main feature of China’s economic model. Justin Yifu Lin defined China’s economic achievements over the past 30 years as China’s miracle and said that behind China’s great economic achievements came the success of its development strategy and economic reform, and by choosing the “comparative advantage strategy”, China has taken a development road of factor endowment structure which accords with her comparative advantage in different periods, thus achieving competitive advantage (Lin et al., 2014: 18, 19).

Another group of scholars started from the perspective of local competition, based on the theory of decentralization in political economy, and argued that the “tournament”-style competition among local governments triggered by the fiscal decentralization of the Chinese government is the main reason for China’s rapid economic growth. Qian Yingyi and others believe that the one-party system with local decentralization has enhanced the innovation capacity of the Chinese system by introducing competition among local governments, promoted the development of the private economy, which has become the main engine of China’s economic development. Therefore, the main body of competition in the Chinese market is not so much individual companies, but rather individual local governments; thus, China’s market economy is driven by regional competition. At the same time, the one-party

system with local decentralization encourages provinces to compete in infrastructure, foreign direct investment, and other areas that contribute to China's long term economic prosperity (Qian & Weingast, 1996: 149–186).

Although these mainstream explanations have received heated discussion and unanimous approval from the academic circles, they cannot fully answer the confusion of the Western scholars about the “China model” in the economic field. This is because their different interpretations are all from the perspective of policy implementation, and not from the perspective of macro-system, which starts with the analysis of the system model at the level of system evolution, thus failing to enhance comprehensively or produce the general framework of the economic aspect of the “China model”.

As for the institutional summary of China's economic model, Professor Zheng Yongnian first refuted the definition and appellation of China's economic development model given by the Western scholars such as “state capitalism” and “crony capitalism”, and he did not agree with the partial view that some scholars simply combine the development of the state sector with the market economy either. “People say that China's transition economy is from a planned economy to a market economy, from a state-owned economy to a private economy,” he said. “This misses the essence of China's economic order. Full nationalization and full privatization are not the normal state of China's economy. The mixed economic order is the normal state of China's economy. Therefore, China is conceptually ‘market in state’, while the United States is ‘state in market’” (Zheng Yongnian, 2016a: 137). Hu Angang and others also believe that the basic characteristics of the differentiation and diversity of Chinese society determine that a mixed economic structure best suits China's national conditions, and that such a mixed economic system also has a huge spillover to the world, by “walking on two legs” on the international stage, China's mixed economic model has huge opportunities and enough room for development. Therefore, the mixed economic model is the biggest characteristic of the China economic model (Hu Angang et al., 2014: 141–161). It can be said that by adopting the mixed economic model, the Chinese government has realized the unification of “top-level design and local innovation”, and solved the inherent tension between the government and the market, the central and the local governments in China's economic development. Driven by economic goals, the central government has a strong will to carry out reform and development from the top down, and from whole to part, and to continuously overcome difficulties and obstacles in the political, economic and social fields, while vigorously encourages local innovation, exploring a unique path suitable for the local development model, thus stimulating the vitality and enthusiasm of local economic development, so that in the macro-structure of the mixed economic model, the central and the local provinces are linked together, which makes the political reform in China a great success.

2. One-party rule and political development

Behind the rapid economic growth is the stable political order provided by a good political system, especially after the severe global financial crisis of 2008, the political factors behind China's economic development have become the focus of attention

of scholars at home and abroad. Scholars no longer simply summarize the success of China’s economic development, but prefer to explore the internal mechanism of the formation of the China model from the political level.

Professor Zheng Yongnian disagrees with the over politicization of the China model, arguing that the highly ideological discussion of the China model clearly does not help scholars to fully understand the strengths and weaknesses of the China model, and to this end, he pointed out that China’s development experience is the so-called China model, and tried to outline such an experience from the logic of historical evolution. He likens the party’s dominance of the state and the resulting system of Party and state leadership to “organized royal power”. It holds that both the traditional royal power and the modern party power are the political expression of the integrated strength of Chinese society and the grand unified culture of China, as well as the institutional carriers of meritocratic politics. Leninism is identified with China’s political elite, both organizationally and ideologically, and has a broader organizational base and greater penetration (Zheng Yongnian, 2010). By combing the development of modern party power, Professor Zheng Yongnian goes on to give his own judgment on the China model, which he believes is at the core of China’s political and economic system: politically it is “internal pluralism” formed under an open one-party system, while economically it is a mixed economic model. But history has not ended. Such a China model is open and requires gradual reform. To this end, he pointed out, China’s reform and development need to go through a three-step process of economic, social and political reform. It is precisely because such a model still has drawbacks that need to be improved, he argues, that perhaps a depoliticized description of the Chinese experience would be more appropriate, and that an overly moralistic aesthetic interpretation of the China model would be tantamount to “killing by extolling” (Zheng Yongnian, 2016b).

Professor Wang Shaoguang has a good summary of the China model from different angles of ontology, axiology and epistemology. He first pointed out the objective facts of China’s economic and social development, the achievements in economic growth, poverty eradication and human development index are enormous, so he acknowledges the existence of the China model in an ontological sense, and prefers to call the China model the China road, and further in his axiology he believes that such a development road in China is worth promoting, in particular, China’s experience in public policy and social reform is well qualified for external promotion. In the epistemological sense, Professor Wang Shaoguang believes that there must be a theoretical explanation for the Chinese-style development path, explaining clearly the existence of the China model in the macro-level. He criticizes the views of some scholars who have reservations about the China model, pointing out that they only focus on China’s political system, and always believe that as long as a multi-party competitive election system is established, all the problems in the Chinese society can be solved. He calls this typical Western way of thinking “political system thinking”, and points out that to analyze the Chinese political model with this ideological point of view of “political determinism” is a square peg in a round hole. To this end, Professor Wang Shaoguang puts forward the “political way thinking”, emphasizing the focus on the essence of political order and the way of governing the country,

and not blindly following the “political system thinking” of Western theorists so as to pay attention to the form of the political system only and ignore the target and approach of its operation. Perhaps observing Chinese politics with the “political way of thinking” will bring about a different feeling (Wang Shaoguang, 2014).

At the same time, many scholars, especially overseas scholars, have focused on the relationship between the development of China’s private economy and the Chinese democracy movement process, but only to find out that instead of seeking to compete with the ruling Party and the government, they were drawn into the political system by the Chinese Communist Party, a new model of China’s political and economic development has taken shape. Bruce J. Dickson reviews the efforts made by the Communist Party of China in absorbing private capitalists into the Party. He believes that the introduction of the theory of “Three Representations” expands the foundation of the Communist Party’s ruling power and shows the Party’s extremely strong adaptability, and entrepreneurs are also willing to join and support the Chinese Communist Party. This new policy innovation model has achieved great success (Dickson, 2003). Kellee S. Tsai’s in-depth field study of Chinese private entrepreneurs also confirmed Dickson’s view. She concluded that the development of the market since the reform and opening-up has not brought democracy to China, private entrepreneurs are unlikely to demand regime change, and even if democratization takes place in China, it is unlikely to be led by a group of private entrepreneurs; they change the agenda of government not through democracy but through an “adaptive informal system” (Tsai, 2013). It can be seen that the development model of Chinese politics subverts the arguments of Barrington Moore, Jr., Joseph Schumpeter and others that “the bourgeoisie brings democracy” and that “modern democracy is the product of capitalist development”. It also goes against the logic of modern theorists such as Lipset and Pye that economic development leads to political freedom. Because it is difficult to interpret the experience of China’s political and economic development with traditional Western theoretical model, some overseas scholars have to call this kind of practical experience a unique China model.

It can be said that practical experience has proved that China’s political development model has followed neither the old closed and rigid path, nor the evil path of changing the banner, and has not made the so-called “subversive mistakes”; it has achieved the goal of high economic growth without fundamentally changing the one-party rule of the Communist Party of China. Professor Huang Zongliang believes that the key to the “China model” is that it conforms to China’s national conditions, conforms to China’s historical tradition and development level, and has always been characterized by openness (Huang Zongliang, 2014). It can be seen that if we simply look at China’s reform and opening-up as a product of “privatization” and “liberalization” under the neoliberalism economic development model, then it is hard to understand why so many countries in the world have introduced private ownership and market system, but few countries have achieved high-speed development for more than 30 years, as China has done. The “China model” has continuously improved and developed the system of state governance by emphasizing the role of government, emphasizing economic development prior to the development of civil rights and democratization, and emphasizing selective learning from the economic

and political systems of the West, and giving consideration to both system innovation and system continuity, thus showing a good capacity of national governance.

3. Historical tradition and social culture

The political formation of the two-thousand-year-old unified state of China gave birth to the unique Chinese civilization, “the 100 generations still practice Qin Law and politics”, and since the Qin and Han dynasties, the bureaucratic political system of combining Confucianism with law has been the main axis of the development of Chinese history. Today, such a unified state system is closely linked to modernization, providing a strong guarantee for the Chinese rejuvenation. Many scholars, especially domestic scholars, with the sense of identity and questioning “taking China as a method”, have paid more attention to the broad generalization based on China’s own civilization and historical experience, so as to sum up the practical value of China’s economic and social development for China and the world.

Zhang Weiwei sees the achievements of the China model as the rise of a “civilized state” and sums up eight characteristics of the “civilized country” (huge population size, vast territory, long historical and cultural traditions, rich cultural heritage, unique language, unique society, unique economy, unique politics), trying to draw out the connotation of civilization value of the China model (Zhang Weiwei, 2011). Pan Wei also points out that the foundation of the China model comes from the continuity of Chinese civilization, and it is necessary to study the connotation and meaning of such a model through the history of Chinese civilization over thousands of years, and the “people nature”, that is, the “welfare of the common people” of China, is an unchanging tradition that has continued throughout Chinese civilization. It is the emphasis on “the people nature” that constitutes the trinity of the structure of the China model of the people-oriented politics, the state system, and the national economy (Pan Wei, 2010).

On the cultural front, scholars have probed into the unique factors of China’s development model through the review of thousands of years of Chinese cultural traditions. First of all, they have explored the important value of the people-oriented principle running through the China model. When Professor Zhu Yunhan studied the rise of the socialist China model, he pointed out that the Chinese traditional political concept had always attached importance to the “people-oriented principle” of “the people being the foundation of the nation”, and on the basis of this concept, strive for the “enjoyment of people”. In other words, China’s socialist democracy attaches great importance to “people’s enjoyment” and does not adopt “electoral democracy” or “populism-oriented” of “rule by the people”, which hinder “people’s enjoyment” (Zhu Yunhan, 2015). Daniel A. Bell considers the internal factors of the formation of the China model from the perspective of “people-oriented and meritocratic governance”. He defines the China model as an effective combination of “meritocracy at the top, experimentation at the middle level and democracy at the grass-roots level”. He holds that the great potential of the Chinese political system and the vitality of economic growth are based on the great Confucian and legal philosophy and culture, forming a special “model of democracy and meritocracy”. Unlike electoral democracy in the West, the model of “political meritocracy”, which

combines election and selection, has helped China build a strong political system based on tradition, which continuously responds to the demands of the people (Bell, 2015). Yao Yang has a good summary of elite governance under the principle of people first. He believes that China's achievements in development over the past 30 years have benefited from a neutral government, which does not represent the interests of any interest group, because the political elites who make up the neutral government are more concerned about the overall interests of the people; according to the "people-based doctrine—meritocratic governance—a neutral government", the concern of the people-oriented doctrine finally promoted the formation of the neutral government, and the neutral government is the greatest political advantage of the China model (Yao Yang, 2010).

On the other hand, there are also many scholars who have examined the characteristics of the China model from the perspective of the "overview under Heaven" in Chinese traditional culture, combined the people-based doctrine with the overview under Heaven to explain the characteristic development path of contemporary Chinese socialism, and intended to seek an ideology different from the Western universal values, thus reflecting the cultural connotation of the China model. The theory of the "overview under Heaven", or "the system under Heaven" is a consistent world outlook in ancient Chinese political philosophy and practice, and an integral part of the philosophy of kingly way philosophy, which is also the national spiritual essence that has continued in the long historical process from ancient Chinese agricultural civilization to modern Chinese revolution and construction. Wang Gengwu points out that it was the concept of "under Heaven" that allowed the Chinese to weave these elements into a single historical narrative, in which culture successfully shaped Chinese civilization and transformed it into Chinese values, and such value is the recognition of strong government, national status and the unification under Heaven (Wang Gungwu, 2016). Zhao Tingyang had a good summary of the "overview under Heaven" in traditional Chinese culture, and in Zhao Tingyang's view, "China's worldview, the theory of overview under Heaven, is the only one that takes into account the legitimacy of the world order and the world system, because only this China's worldview of 'overview under Heaven' possesses an analytical perspective higher/greater than that of the 'state'" (Zhao Tingyang, 2011).

Culturalism is an essential perspective for understanding the China model. The post-World War II comparative politics studied civic culture (Almond et al.), values expression (Inglehart), and social capital (Hilary Putnam), all of which revolved around the theme of "democratization". The question is why ineffective democracy and ineffective governance persist even when a political culture conducive to democratization has emerged and many countries have undergone democratic transitions as a result? It comes down to cultural and social structures. In order to answer this fundamental question, along with the Tocqueville-Weber style civilization study, I put forward the "theory of Chinese civilization matrix". The "genes" of the Chinese nation at least include: the invariable language and characters and the Chinese nation; the grand unification of the nation and the people-oriented thought of governing the country; the system of prefectures and counties in the administrative system; the system of bureaucracy and the selection and appointment of talents; the cultural

tolerance and the doctrine of the mean; the freedom and autonomy of social life, as well as the ethical standard of the family, and so on. These “genes” are handed down from generation to generation and internalized in the blood of the Chinese nation living in a fixed territory, thus forming a community of Chinese civilization that has lasted for thousands of years; therefore, China can be called “the matrix of Chinese civilization”, a community composed of civilization genes (Yang, Guangbin, 2016a). As the Chinese civilization is the only one in the world that has continued to this day without interruption; thus, we can see its vitality and its influence on modern China.

21.3 The Mythologized China Model?

Although a considerable number of scholars have affirmed the existence of such a concept since the “Beijing consensus” and the China model was put forward, quite a number of scholars still believe that the China model is a mythical concept, like the Japanese model, the East Asian model and the Latin American model, which were put forward in the 1970s, and were the products of the ideology of high-speed economic growth. But as economic growth slows, social tensions rise and the “authoritarianism” regime is not democratized, the China model will not be sustainable.

Some scholars put forward their own thoughts on the China model from the political angle. Minxin Pei argues that China’s ruling party suffers from “a lack of organizational penetration, a weakening of its authority among the masses, and a breakdown of discipline within the party”, which results in a decline in the regime’s ability to govern, and she believes that corruption and patronage, no less than in the Soviet system, will become a stubborn disease plaguing China’s ruling party, and China’s new authoritarianism is symptomatic of both the political stagnation of the Soviet Brezhnev era and the Crony capitalism of Indonesia’s Suharto era (Minxin, 2006). “The end of history” author Fukuyama points out that the China model is a high-speed growth led by an authoritarian system, and compared with dictatorships such as the Arab world, there is no doubt that the political system is highly efficient and orderly, and has achieved an average annual GDP growth rate of 9 percent for nearly three decades, and has successfully managed the international financial crisis of 2008. But all this does not mean, Fukuyama argues, that the Chinese model has a powerful advantage, and in terms of the political system, more attention should be paid to the long-term governance performance or whether it can stand the test in the long run (Fukuyama, 2011). Clearly, in Fukuyama’s view, without the rule of law and democratic accountability, China will still face a series of insurmountable problems in the long run. Fukuyama’s views coincide with those of Susan Shirk and others. Susan Shirk said, although the “rise of China” is attracting more and more attention from the international community, China is still a “fragile superpower” with various problems, and on the face of it, the “waking dragon” is preparing to take off with strong economic and military support. But, in fact China’s internal social problems are very complex, and the consequences of domestic politics influencing the making of China’s foreign policy, she said, remind the political and academic circles in the United States to pay

attention to the changes that have taken place in China's internal problems, and that China's vulnerability could pose a threat to the United States (Shirk, 2007). David Shambaugh also stressed that the Communist Party's simple adaptation cannot save a shrinking regime, and that to give the political system unlimited vitality, the ruling party must introduce greater political competition, expand the "democratic space" between the state and society (Shambaugh, 2008). Plattner and Larry also agrees that "resilient authoritarianism", while resilient, is not a static political system and there is a time limit for the authoritarian rule; strong rule of law and open dissent are the inevitable transition direction of such a system, designed to subconsciously emphasize that China's so-called "authoritarianism system", while looking healthy now, is a process of democratic transition sooner or later, and it is just a matter of time (Plattner & Jay, 2003: 5).

Another group of scholars also put forward their own different views on the China model from the economic point of view. Xu Xiaonian proposed that the great success of China's economy since the reform and opening-up should be divided into two stages. Before the tax-sharing reform, the rapid development of China's economy benefited from the "state's retreat and the people's advancement". The state returned to the market the resources it possessed in the planned economy era. The rapid flow of resources and the free allocation of resources under the small government model had greatly improved the efficiency of the market, but such a great achievement in Xu Xiaonian's view is not unique to China model. This line of thinking, which was reflected in the writings of the Adam Smith, is perhaps more aptly called the Adam Smith model. After the reform of the tax-sharing system, the development of China's economy originated from "the state advancing and the people retreating". The state regained possession of large-scale financial and land resources. Under the model of big government, the government led the economic development, which Xu sees as having been adopted as early as Japan's postwar economic take off, is typical of Keynes' model. Therefore, Xu argues, there is no such thing as the China model, because it is either the Adam Smith model, the East Asian model, or the Keynes model, without its own originality (Xu Xiaonian, 2013). Zhiwu Chen also points out that China's investment led growth model tends to deliver only short term prosperity, and that the government led approach to economic development distorts market economics, failure to unleash the energy of individual innovation and increase individual freedom will ultimately lead to a regression in the well-being of society as a whole. Zhiwu Chen goes on to argue that the China model, which lacks political checks and balances, is not the same as the East Asian model, and that democratic checks and balances, such as those in Japan, inhibit the rapid expansion of government power, and the unchecked power of the Chinese government is likely to return China to its pre-reform status quo. So, Zhiwu Chen agrees that there is no such thing as the China model, and it is the scholars who promote the theory of China's collapse are truly beneficial to the Chinese society (Xu Linling, 2011). Yasheng Huang strongly supports Zhiwu Chen's view that China's economic development model is not the so called East Asian model, but is similar to that of Latin American countries in the mid 1960s and mid 1970s. In Yasheng Huang's view, the East Asian model was the model that succeeded in achieving

rapid economic and social development, while the Latin American model ended up failing in the Middle Income Trap. For this reason, he believes that the Latin American transformation style of China’s economic development shows that China’s economic model is not successful, and if this development pattern does not change, China will also fall into the mire of the Middle Income Trap, and the worsening of income distribution gap, the decline of private economy caused by “state advancing and private retreating”, and the profiteering of land finance have proved the short-term and fragility of this economic model. So Yasheng Huang’s conclusion about China’s economic development is that the China model is a failed development model of Latin America, and that the China model, even if it exists, is unsustainable, falling far short of his preferred Indian model (Xu Linling, 2011).

Combing the views with a grain of salt about the China model, we can see that many Western scholars are mainly concerned about whether China can finally move toward democratic politics. They use the dichotomy of “democracy and non-democracy” to outline the operating mode of China’s political system, and China’s political development is seen through the prism of Western institutions such as the multi-party system, the separation of powers system, and electoral democracy. Under the influence of political system thinking, these scholars believe that China’s one-party rule and democratic centralism are not in line with the concept of traditional democratic theory, but by using the totalitarian system, they cannot describe the great changes brought about by the transformation of China’s ideology, economic and social system and even the ruling party after the reform and opening-up. Especially in 2002, when they saw the Communist Party of China complete its first peaceful transfer of power in the “post-strongman era”, Western scholars, who are good at creating concepts, put the label of “authoritarianism” on China’s political system, and they created a concept between democracy and totalitarianism—“authoritarianism”, in front of which various adjectives were added to describe China’s political system: “resilient authoritarianism”, “fragmented authoritarianism”, “consultative authoritarianism”, “controversial authoritarianism”, “deliberate authoritarianism”, and so on and so forth. With these concepts, overseas scholars revise their pessimistic attitude and critical view towards China’s ruling party and democratic reform after the end of the Cold War, and they hold that certain institutional reforms of the ruling party have consolidated the ruling power of the regime, and there is still room for resilience in China’s system, and the survival and development of the CPC in the future will be a dynamic process of interaction between contraction and adjustment. But no matter it is “authoritarianism” or “system adjustment”, Western scholars are confined to the paradigm of “transformation studies”, and believe that the system will move from the so-called authoritarianism to democratization, and that adaptation will ultimately be necessary to meet the constant demands for change within and outside the system, and that if the transformation of the system stops, it may become institutional rigid and the country will be on the verge of collapse.

Some scholars who hold a negative attitude to the Chinese model even more emphatically insist that there is nothing unique about the Chinese model. Especially in the economic area, many scholars either think that the China model is the 2.0 version of the East Asia model, and that China’s development path is following the

path once taken by the “four little dragons of East Asia”, such as South Korea. By following a map and drawing a blueprint, China in the future will face the same difficulties they faced in the aftermath of the financial crisis of the late 1990s, and at that point the ruling party will be challenged, proving that the unique China model does not exist. The more pessimistic scholars acknowledge the existence of a China model to some extent, but they believe that the China model is quite different from the East Asian model and has a more Latin American flavor. In their view, the East Asian model made great achievements at least from the later period of World War II to the twentieth century, while the Latin American model fell into a dilemma in the 1970s, and its development stagnated. The Chinese model will only face a Middle Income Trap similar to that of Latin America if it is not sustainable, and that is when the myth of the Chinese model is shattered, so it will not succeed, if it exists at all.

It is clear that these scholars’ judgments on the China model still have not escaped from the discourse system of Western social sciences, and it is obvious that the unique experience of China model cannot be deeply expounded by discussing China model under the thinking path of ideological politicization or theoretical patterning. In the absence of a view of history and the lack of a comparative vision in a broad space, the study of the China model is no different from the “blind men and an elephant”. For example, liberal economists who talk down the China model argue that China’s state led economic development runs counter to the mainstream economic theory, and that this development model is doomed to be unsustainable, as a result. They are more optimistic about India’s economic development model, and fundamentally negative about China’s model. Shi Zhiyu et al. has a good summary of the academic research on the pros and cons of the China model under the “Western-centered” mode of thinking, he argues that much of the China model, as defined by the British and American intelligentsia, focuses on China’s economic transformation and the role of the state in it, with little discussion beyond political and economic phenomena; therefore, it is obvious this model is “simplify”, which will only see the China model as a universal threat to the Western modernization road, thus affecting the correct value judgment of the China model (石之瑜 & 李梅玲, 2013). It can be seen that although many scholars have made some efforts to generalize the unique China model in the study of Chinese historical and cultural traditions, as far as the overall study of the China model is concerned, there is still no breakthrough in the dominant discourse system of “Western-centered theory”, and many scholars, especially overseas scholars, still hope that China will follow the path of Western-style democracy and accept the so-called “universal values” of the West, become a member of the “Westernized” nations.

Therefore, the study of the China model by scholars at home and abroad needs to be improved in its entirety and systematicness, otherwise these studies will only scratch the surface and fail to point out the real essence of the China model, and will only allow some dubious ideas to dominate the mainstream discussion of the China model, while turning a blind eye to the development path and internal experience with Chinese characteristics. The East Asian countries represented by China, from centralized authority to economic development, then to social construction and

finally to political democracy, a series of rational and orderly gradual democratization processes appear to be extremely vigorous. Moreover, it has cooperated with the economic take-off and social development of the whole country, and has also provided economic and political and cultural conditions for the country’s political transformation. In the East Asian countries represented by China, a series of rational and orderly gradual democratization processes, from centralized authority to economic development, to social construction and finally to political democracy, appear to be extremely vigorous. Such a course of democratic development has proved extremely effective in the last decade or so, while China’s model of democratic practice has been selectively ignored by the “naysayers” of China model, and it can only be said that on the one hand, these scholars are too limited to the specific policy level of a certain field; on the other hand, they also have problems with their own ideology and value judgment, so that they cannot really understand the China model as a whole.

In fact, talking about the China model in China is indeed a discussion about a political model. It is difficult to distinguish the essence and connotation of the China model and it is also difficult to form a complete theoretical framework for the China model, let alone summing up the experience of China’s rapid development over the past three decades if we cannot start with China’s fundamental political system and use the Communist Party of China as the key to understand the China model, by taking the leadership system of the Party and the state as the key to understand the Chinese political model, and by understanding the development logic of the China model from the context of its historical evolution since the revolutionary era. Such a political model, in my view, must be a model mechanism for both the party’s and the state’s organizing principles, and that model mechanism is democratic centralism (Yang & Qiao, 2015).

21.4 Democratic Centralism Constitutes the China Model

In the actual operation of China’s economic and social development, the political system plays a decisive role, of which the most important is democratic centralism of the political system, which is both the foundation of the organizational form of the political power and the organizational principle within the Party. It is also the organizing principle of the basic system institution of the state, which takes the ruling party as the core and effectively organizes the party and the state. If we want to talk about the China model, we must take the ruling party as the core of understanding this model, and take the Party and state leadership system as the cutting point of understanding this model; democratic centralism is “centralism based on democracy and democracy under the guidance of centralism”. It is not only the product of the endogenous evolution of Chinese history, but also the political logic that effectively organizes the leading system of the Party and the state (Yang, Guangbin, 2014a: 1). So, democratic centralism is the China model’s greatest advantage, and the most distinctive feature of the China model is the democratic centralism.

As the founder of the Party and state system, Mao Zedong organically combined the revolutionary background, the theoretical foundation of Leninism, and the unique political organization model of the CCP, according to the revolutionary reality and the will of the masses, and he creatively adopted the organizational model of democratic centralism, which not only aroused the enthusiasm of the masses to participate in the social revolution, but also shaped the core authority of the Party, effectively ensuring the smooth passage of the internal party decrees. Deng Xiaoping, as a reformer of the Party and state system, also held that “democratic centralism is the most fundamental system of the Party and the state, and also our traditional system. It is of great importance to uphold this traditional system and to perfect it. It is a matter that concerns the fate of our Party and our country” (Deng, 1994: 312). In an era of reform, without democracy, the maximum vitality of society and the market cannot be stimulated so as to add impetus to the development of the cause of reform, but if you lose authority, you are more likely to lose direction in the reform, unable to resist the temptation of “peaceful evolution” of external forces. Xi Jinping said in a speech celebrating the 60th anniversary of the founding of the National People’s Congress, “Democratic centralism can form a strong joint force in the governance of the country and effectively prevent the phenomenon of mutual restriction and serious internal friction”, and used eight yeas and nays to gauge whether the country’s system is democratic and effective, emphasizing “we should not only strengthen the leadership of the Party and avoid the phenomenon of a leaderless group falling into disarray, but also insist that all power belongs to the people and protect their rights according to law” (Xi Jinping, 2014b).

A state system is the fundamental system or means by which a state is organized. In China, the democratic centralism is not only a political system that embodies the principle of the relationship between the Party and the state leadership system, but also a policy process, linking different fields in the dimensions of “state-society, central-local, government-enterprise”, which demonstrates China’s state governance of the organizational system and national capacity. Democratic centralism, as the political organization principle formed in the revolutionary era, effectively strengthened the political participation under the mass line, laid the organizational foundation of the CPC and the organizational form of state regime, which not only realizes the state power, but also guarantees the rights of the people, maximizing the dialectical unity of democracy and centralism, and enabling the society to maintain a high degree of stability between strengthening vitality and creativity, and between rebuilding capacity and order. The unity of the people’s will and the reflection of their will have been fully combined to ensure that state organs cannot only concentrate their efforts on important matters, but also operate in a coordinated and efficient manner, thus achieving the unity of centralized leadership and broad participation, full of efficiency and vitality.

There is no doubt that the combination of democratic centralism and the mass line unifies the centralization of power, the democracy of power sharing, and the people orientation of the source of power, forming China’s own political model, so if you want to talk about the China model, democratic centralism and its intermediary mass line are the most fundamental China model. As a comparison, in the plight

of Western-style democratic systems today, the rigid systems of the developed countries cannot produce strong leaders who can solve problems, government decisions are taken by interest groups, and there are too many veto points in policy making, leading to the emergence of a veto-type system and weak government. The late-developing countries have only learned the appearance of Western-style democracy, and not its inner essence. The lack of homogeneous conditions of democracy can only lead to the double predicament of late-developing countries facing the backwash of democracy and poor-quality democracy, while the blind pursuit of one-person-one-vote electoral democracy and multi-party competition has either been replaced by oligarchy, or has fallen into the political predicament of populism, and democratization has greatly preceded the building of state institutions, which can only plunge these late-developing democracies into a power crisis. So, democratic centralism, a system coming from revolutionary history, that works in reform and development and is effective in governance, is the key to the success of the China model, and its advantages in today's comparison of national governance revealed incisively and vividly.

Chapter 22

Principles of Democratic Centralism



Democratic centralism, parallel to indirect democracy, was the focus of Western political science during the Cold War, and the collapse of the Soviet Union made the concept almost obsolete in Western political science, that is, the failure of the Soviet Union is also the failure of this theory and concept. But a quarter of a century after the end of the Cold War, as the “China model” became the focus of world opinion, there is a need to “get democratic centralism back”, just as the concept of “corporatism” was rediscovered 30 years after it had disappeared after the Second World War. In fact, in China, democratic centralism has always been a hot issue in theory and practice, as well as a core issue in politics, but because of the colonization (Westernization) of the issue consciousness in Chinese social sciences and political science, instead of paying enough attention to their core issues, many people are studying useless studies that have little to do with China itself.

In the international social science community, there are only two broad categories of regimes studied: indirect democracy as liberal democracies and authoritarianism as non-democracies. In Western political science, the former is the “end of history”, the paradise on earth, and the latter is bound to fail, the Hell on earth. But what are the facts of world politics? Let’s look at simple addition and subtraction.

The combined population of the 32 rich countries that implement indirect democracy is no more than a billion, or no more than 15% of the world’s population, and 85% of the world’s population lives in middle income or less developed countries; of the 85% of the population, China’s 1.3 billion people, or 20% of the world’s population, are living in democratic centralism, while the remaining 65% of the world’s population live mostly in indirect democracy’s middle income and more underdeveloped regions.

It is time to break out of the ideological dichotomy of Western social science discourse, give China’s regime proof, and give it doctrinal status quo ante. What we will find is that the much discussed China model is, first and foremost, democratic centralism, which in theory has not only the democratic attributes of modernity, at the same time, it is also based on the characteristics of endogenous changes in Chinese history and culture, and overcomes the structural pathology caused by the general

lack of national capacity in the late-developing giant countries. More importantly, life politics tells us that democratic centralism of the polity is also the core of the political process, the principle of the decision making process, that is, the consistency of the political form with the political process, thus constituting the world's most unique system. Therefore, it is very necessary for Chinese political science and even the whole social science communities to deeply study such a big proposition concerning road self-confidence and system self-confidence.

22.1 Semantic Interpretation of Democratic Centralism

Democratic centralism is one of the most familiar concepts to the Chinese, perhaps too familiar, and it is easy to dismiss it as empty and formal, so much so that we forget the China model that people so desperately want is actually democratic centralism of our lives.

As an organizing principle of the Party and the state, democratic centralism will no doubt receive a great deal of research, and there is no need to enumerate the results of existing domestic research. First of all, democratic centralism is a form of government coexisting with liberal democracy, not only in People's Congress and state structures, but also in power structures; it is also reflected in political-economic relations and state-social relations. It will be expanded in detail later as democratic centralism of the regime. But before we can make sense of democratic centralism, we must first make sense of democratic centralism in terms of semantics.

It is generally believed that democratic centralism comes from the Russian language, and democratic centralism is short for "centralism of democracy". According to Professor Wang Guixiu, a leading scholar of democratic centralism in China:

In Russian, "democratic centralism" is a compound: "Демократический централизм". The former "Демократический" is an adjective meaning "democratic"; the latter "централизм" is a noun meaning "centralism", "centralization", "central centralization", or "totalitarianism". The combination of the two words into one word, translated as "democratic centralism", is accurate. It is sometimes translated as "democratic centralization of power" and "democratic centralized system". We used this translation in the 1920s and 1930s. All these translations are in accordance with the original meaning of the Russian language. (Wang Guixiu, 2002)

It should be said that democratic centralism is not a combination of democracy and centralism as some scholars have explained, but an expression of an institutional form, democratic centralism. However, it is not enough to just focus on "democratic centralism", which cannot truly embody the inherent and far-reaching value logic of the political system. In Chinese, democracy is usually translated as 民主, but actually, just as liberalism is not freedom but liberalism, democracy is not only 民主 in Chinese, but more the meaning of 民主主义 (democratism). The values of freedom, democracy, equality and so on are all with "ISM", failing to realize this is to forget the history of modern political thought. Modern political thought is made

up of all kinds of “ISMS” rather than entity concepts under isms, except liberalism, socialism, conservatism, democratism, egalitarianism and so on, which are popular in the West, there are nationalism, Islamism, Confucianism, etc.

Understanding this background, democratic centralism is not simply “democratic centralism”, but “democratically centralized system”, that is, “democratic centralization of power”. In fact, it is precisely in the sense of “democracy” that Mao Zedong, the master of democratic centralism thought, talked about democratic centralism. In the “Struggle of the Jinggang Mountains”, 民主 is defined as “democracy”. “The same soldier who was not brave yesterday in the enemy army is very brave today in the Red Army, and that is the influence of democracy. The Red Army is like a furnace. When the captives come, they melt immediately. China needs democracy not only for its people, but also for its military. Democracy within the armed forces will be an important weapon in the destruction of the feudal mercenary army” (Mao, 1991a: 65). Why did Mao Zedong, who was not familiar with the foreign language, talked so much about “democracy”? It can be said that “democracy” was a buzzword at the time. In any case, however, “democracy” was put to good use.

The reductive semantics of the democratic centralism is intended to be explicit that “democratic centralism” as a regime is an ontological attribute of democracy, just as “liberal democracy” as a regime is an ontological attribute of liberalism.

Semantically speaking, “democratic centralism” is one word in Chinese, but many people take it as two systems, democracy and centralism. Aren’t these two words opposite to each other? It is typical of Western social sciences to see democratic centralism in binary opposition, such as the binary opposition of state and society, the binary opposition of democracy and despotism, while the Chinese pay more attention to the unity of “opposite things”, that is, Lao-tzu’s so-called “the reversal is movement of the Tao”, which pays more attention to the mutual transformation and alteration of things. To the question of the opposition between democracy and centralism, Mao Zedong gave the following answer as early as the Yan’an period:

There is no unbridgeable gulf between democracy and centralism, and for China, both are indispensable. On the one hand, we require a government that truly represents the will of the people; the government should enjoy the support and endorsement of the broad masses of Chinese people, and the people must be free to support the government and have every opportunity to influence its decisions. This is what democracy is all about. On the other hand, the centralization of administrative power is necessary; when the policies demanded by the people are handed over to the elected government through the organs of public opinion, they are carried out by the government. As long as they are carried out in a manner that does not contradict the policy once adopted by the public opinion, their implementation will be smooth and unimpeded. That’s what centralism is all about. The power of the government can be particularly strong only if democratic centralism is adopted, and in the Anti-Japan War, a government of national defense is bound to take this democratic centralism. (Mao, 1991k: 383)

The integration of democracy and centralism is a normal way of thinking and working for the Chinese people.

Democracy and centralism, though compatible, are two structural variables, which involves the question of how to achieve a structural equilibrium. Structural equilibrium is not only an abstract theoretical problem, but also a concrete problem in

practice. In abstract theory, any political system is composed of a set of interrelated system matrix, which should adapt to each other and realize dynamic equilibrium rather than a stable and unchanging equilibrium. Democratic centralism needs a dynamic equilibrium, and so does liberal democracy, and Satolli's argument for the balance of liberal democracy applies equally to democratic centralism as well. He put it this way: "If Western-style institutions were the product of liberalism plus democracy, they would constantly raise the issue of internal re-balancing of the components. This assertion does not mean that the equilibrium should be a steady-state (let alone static) equilibrium, that is, characterized by negative feedback that tends to restore the system to its original state. They can also be an unstable equilibrium, transforming institutions with aggressive feedback. In fact, throughout history, we have always ended up with a variety of balanced outcomes, that is, the balance between the various combinations and deployments of their components. For an institution to remain unified, however, it must always acquire some re-balancing of equilibrium. In a given system, if all the factors are leading to the imbalance, that is, there is no compensating force, the system will simply fall apart" (Satolli, 1993: 394–395).

Indeed, if the imbalance between liberalism and democracy has led to problems in many countries, such as the failure of governance due to too much partisanship, the imbalance in democratic centralism ultimately has led to the collapse of the Soviet Union. During the entire Stalin period, the centralism of democracy existed in name only, and there was only autocracy without democracy, which led to the social stagnation of the post Stalin period, i.e., the Leonid Brezhnev period. Therefore, when there is imbalance between democracy and centralism, in theory they need to be rebalanced, but in practice a kind of wisdom is needed.

22.2 The Political Nature of Democratic Centralism: A Democracy

The foregoing semantic examination has demonstrated that democratic centralism is democratic, just as liberal democracy belongs to the political nature of liberalism. In the past, our understanding of democratic centralism was all about its philosophical categories of unity of opposites. It is also in philosophy that the understanding of democratic centralism can be pushed forward. According to Professor Wang Guixiu's explanation:

Philosophy reveals that there are three categories in which human beings grasp all things in the universe: The category of "entity", the category of "attribute" and the category of "relationship". In this way, we can observe and analyze the internal structure of democratic centralism, that is, "centralism of democracy", which is not composed of two "entities", but is composed of the "attribute" of "democracy" and the "entity" of "centralism". That is to say, the relationship between the two parts of "democratic" and "centralism" is neither the relationship between two "entities" nor the relationship between two "sides" of an entity (the sides of an entity are still entities), but is the relationship between "attribute" and "entity". The attribute of "democratic" inherently defines the nature of the entity "centralism". With the attribute or stipulation of "democratic", "centralism" becomes "centralism

of democracy”; Without the attribute or stipulation of “democratic”, “centralism” is no longer “democratic centralism” but “non-democratic or autocratic centralism”. (Wang Guixiu, 2002)

Professor Wang Guixiu’s interpretation of this philosophical category is similar to our previous interpretation of the semantics of democracy in conclusion via different approaches. What is more, defining the political nature of democratic centralism as a political system is really a kind of division of typology. First, centralist regimes are democratic, not of other isms, not Stalin style bureaucracies, and not Gorbachev style anarchism; therefore, any decision-making or other political action under the centralized system must be based on the premise of democracy. There are various forms of democracy, such as electoral democracy, participatory democracy, consultative democracy, and mass line as a practical form of people-oriented thought. That is to say, after defining democracy as the categorical nature of the democratic centralism, it cannot be separated from the principles and forms of democracy, either in the constitution of the political system and the organizational system, or in the political process.

Second, via this division of categorical attribute, the fundamental difference between the two types of political systems, liberal democracy and democratic centralism, can be identified. In liberal democracy, since the political nature is liberal, democracy or equality as democracy can only develop within the scope of liberalism, which guides or frames democracy and equality, not the other way around, i.e., liberalism cannot be drowned out by equality or democracy, and there can be political democracy or one person, one vote, but this political democracy cannot extend to the economic sphere, cannot undermine property rights. Thus, liberal democracy is the triumph of liberalism over democracy or equality, not democracy over liberalism; and when the forces of equality or democracy overwhelm liberalism, liberal democracy dies. This is Satolli’s classic account of the relationship between liberty and democracy.

By comparison, democratic centralism is a regime with more democratic attributes than liberalism. In other words, liberal democracy favors freedom, i.e., the property rights of the few, while democratic centralism prefer democracy, equality for the masses. Therefore, in the theoretical context, democratic centralism is more pro-public than liberal democracy.

Let it pass. In the same way that Satolli argued, democratic centralism is centralism in democracy, not centralism outside democracy. That is to say, the vitality of democratic centralism comes from democracy. The conceptual democracy is often called people’s sovereignty, the forms of which range from the direct democracy of the ancient Greek city-state to the direct democracy of the politics of the French Revolution Square, and to the self-government of villages and towns, which is called social democracy by Alexis de Tocqueville in the *Democracy in America*, and there are also modern electoral democracy, popular participatory democracy and consultative democracy. Only when centralism is established in these forms of democratic institutions can it be democratic centralism, alive and vital. Centralism is not uncommon in history, of which there are individual monarchs and a few oligarchs, but none of

them is based on the aforementioned forms of democracy. But even with democratic forms and popular participation, without the rule of law as a guarantee, democratic centralism can degenerate out of the realm of democracy, such as the centralism under the aforementioned Stalinism without the rule of law and democracy.

By contrast, in countries with a long tradition of despotism, centralism is relatively easy; what is difficult is the formation of democratic institutions and the establishment of binding mechanisms, without which, many countries are experiencing problems caused by excessive concentration and insufficient democracy. In the countries that have been colonized for a long time, because of the historical reasons of the divide and conquer colonial practice, the warlords and aristocrats in the society became very powerful. In the democratization movement, there is often more than enough party struggle in the name of democracy, and the decision-making authority of the state is insufficient; as a result, liberal democracy in these countries has led to ineffective governance and even worse disasters.

After more than a hundred years of China's history of fragmentation and disunity, centralization of authority is undoubtedly a necessity. However, the political disaster caused by the social freedom, the suffocation of social creativity and the absence of inner-party democracy caused by the excessive concentration have urgently put the centralism in the democratic system matrix. Therefore, the establishment of the democratic political nature of democratic centralism, and the resulting conceptual change, are conducive to the normalization of democratic centralism.

22.3 The Cultural Mechanics of Democratic Centralism

Any effective political system must be supported by a corresponding cultural system. Politics keeps culture alive, and culture keeps politics from sinking. We have seen that the very different cultural systems in the world have adopted homogeneous political systems, such as indirect democracy or liberal democracy, with vastly different results, of which the key mechanism is the conflict between politics and culture. As a result, all are "democratic" countries, but they cannot avoid the "clash of civilizations". Thus, some philosophers have put it this way: "Politics and economics are both expressions of culture, and their efficacy must be evaluated together with other cultural values. In particular, we see liberal, individualistic rights-based democracy and free-enterprise capitalism as concrete products of the historical development of Western modernity. So any attempt to universalize these things across cultures would be hopelessly foolish" (Hall & Roger, 2004: 16).

Therefore, China's political system, especially its fundamental form of government, can only be built on the basis of its own culture, which is the Confucian ideology of "collective good" over individual rights, which, in Western parlance, is communitarianism. Coincidentally, the attribute of "democratic centralism" is relative to liberal democracy, and democracy is the product of the rights of the masses, that is, the product of social equality. This means that democratic centralism itself is a pursuit of "collective good" rather than a liberal assertion of individual rights,

and that “the individual is subordinate to the organization and the minority to the majority” is the classic expression of “collective good”.

Of course, while democratic centralism is based on the equal rights of the masses, it does not necessarily exclude individual freedom and the vitality and creativity based on personal freedom. In fact, when Mao Zedong or Deng Xiaoping talked about democracy, they mostly talked about a lively political situation made up of individual, social, and local dynamics. To the adherents of liberalism, this discourse may not be an expression of democracy, but, it can only be said that such an understanding is too fixated on the liberal textbooks, without taking into account of their own historical and cultural traditions. “In the Western tradition, independent individuals occupy an important place. It would be futile to try to search for the dominant ideas that Western intellectuals espouse within the traditional context of China. More importantly, the values, behavior and institutions that express these elements of thought also do not exist in Chinese tradition” (Hall & Roger, 2004: 25). The existing tradition is “collective good”, in which the individual is subordinate to the organization and the minority to the majority. Note that the “organization” here is not only a political organization, but also a family organization and a social organization.

Different from the general form of governance or the technical form of institutions, an effective political system, especially the fundamental form of political system, must not only grow in a particular cultural soil, it must also be supported or based on the value system, especially the value system at the level of “doctrine”, otherwise it is only a form of governance and system of world commensurability. Comparatively speaking, the cultural foundation of “liberal democracy” is that individual rights are supreme, that is, rights are superior to good, and its value system is liberalism. The cultural mechanism of democratic centralism is “collective good”, and its value system is the people-based doctrine that has gone through the sinicization of Marxism.

We know that the concept of democratic centralism came from Vladimir Lenin, but why did it take root in China and become the political system with centennial vitality? It not only has its profound cultural foundation, but also its ideological foundation of governing the country, which is consistent with China’s long history of people-based thought. From the “people are the only foundation of the state” in the pre-Qin period, to the “people are precious and the king is light” in the Han Dynasty, to “the world cannot be ruled by one person” in the late Ming and early Qing dynasties, to “the world is the subject and the king is the guest”, to Sun Yat-sen’s republic thought of “the world is for the public”, and in particular, to Mao Zedong’s republic thought of “serving the people”, all these are a series of different forms of political expression of people-oriented thought.

In the Yan’an period, Mao Zedong had already formed his complete thought of governing the country. It is particularly worth emphasizing that Mao Zedong linked democratic centralism to his republican ideology. He put it this way: “Only the government of democratic centralism can give full play to the will of all the revolutionary people and can oppose the enemies of the revolution with the greatest strength. The spirit of ‘no private gain for the sake of the few’ must be expressed in the composition of the government and the army, and if there is no genuine democracy,

this cannot be achieved, it is called the incompatibility of the state system and the political system” (Mao, 1991i: 677). According to Mao Zedong, the political system is democratic centralism, and the state system is the republic where the people are the masters, that is, what was said afterwards the people’s democratic dictatorship based on the proletarian led alliance of workers and peasants.

On the relationship between democratic centralism and the state system, Mao Zedong said: “In our country, there can be no genuine proletarian centralism unless people’s democracy and inner-party democracy are fully developed and proletarian democracy is fully practiced. Without a high degree of democracy, there can be no high degree of concentration, and without a high degree of concentration, it is impossible to build a socialist economy. What will become of our country if we do not build a socialist economy? It will become a state of revisionism, a state of the bourgeoisie, a dictatorship of the bourgeoisie, and it will be a reactionary, fascist dictatorship” (Mao, 1986: 822).

What Mao Zedong was talking about was a set of discourse at a particular time, that is, the discourse expression of the concept of republicanism based on class analysis. But the political and ideological value of it is clear, that is, the democratic centralism is a political system for the realization of the republic. What is the republic like according to Mao Zedong? It is a country that, as he quoted, “serves the people” with “no private gain for the few”, and is what Sun Yat-sen quoted “the world for the public.” No matter how to express it, the thought of people-orientation is very strong.

It is worth pointing out that in the past, all the people-oriented thought only stayed at the ideological level, or was a set of guiding ideology pursued by officials at all levels, without any system or intermediary mechanism to realize it. The difference is that democratic centralism as a political system is not only the political institution of democratic thought, but also the intermediary mechanism through which democratic centralism is realized, i.e., the mass line of which we are all familiar. In this regard, Mao Zedong has many classic expositions, such as the mass line thought being “from the masses to the masses,” and taking the mass line as a valuable experience of the Communist Party’s success. On the relationship between democratic centralism and mass line, Mao Zedong says:

Without democracy, there can be no correct centralism, because of the differences of opinion, centralism cannot be established without a common understanding. What is concentration? The first thing is to focus on the right ideas. On the basis of centralizing correct opinions, achieving unity of understanding, unity of policy, unity of plan, unity of command and unity of action is called centralism. If we still do not understand the problem, have not yet published opinions, and grievances have not been addressed, how can you build such centralization and unity? Without democracy, it is impossible to sum up experience correctly. Without democracy, opinions would not come from the masses, and we would not be able to formulate good lines, principles, policies and measures. Our leading organ is only a processing plant in terms of formulating the line, guidelines, policies and measures. (Mao, 1986: 819–820)

If the mass line and democratic centralism are linked, the foundation of the thought of people orientation of democratic centralism is easier to understand. In the final

analysis, the mass line is about the importance of the people, that is, the “people-oriented” thought of Confucianism since ancient times.

In this way, the logical relationship between the mass line, democratic centralism and the people-based doctrine is clear. The mass line is the intermediary mechanism to realize democratic centralism, and democratic centralism is the political system that concretely realizes the republic, and China’s republic is necessarily based on the people-based thought that is “taking people as the base”. The reverse is also true, and it is precisely because of the people-based ideology under the guidance of the “world for the public” republic, there will be a better political system of democratic centralism, and the health of democratic centralism depends on mass line and other forms of democracy.

22.4 The Microscopic Mechanism of Democratic Centralism

Democratic centralism as a political system is a macro structure, and the vitality of the political institution of the macro structure undoubtedly needs the micro mechanism to enrich and replenish, otherwise the political system with the most beautiful name will fall through. Thus, the micro mechanism here is primarily the democratic aspect of how to build a more diverse and effective form of democracy in order to improve democratic centralism.

1. The mass line as a special form of democracy. Under the people-based ideology described above, the mass line, is undoubtedly an intermediary mechanism. But for those trapped in the discourse of liberal democracy, it is hard to understand why the mass line is associated with democracy, even psychologically rejecting the notion of mass line. Little did they know that both Sartori and Inglehart, masters of liberal democracy theory, regard responsiveness as the foundation of democracy, and believe that democracy that cannot respond to the needs of the people is ultimately “invalid democracy”. In a responsive sense, neither electoral democracy nor participatory democracy is necessarily more responsive than the mass line. Common sense also tells us that electoral democracy can be manipulated by powerful interests, and that the subjects of participatory democracy are unequal in capacity and power; therefore, the channels and effects of interests expressed in these forms of democracy are unequal. It is in this sense that a top-down mass line can make up for the inborn weaknesses of other forms of democracy, making public opinion more likely to become policy. It can be said that other forms of democracy can be imitated or even transplanted, but it is difficult to imitate and transplant mass line, whose culture and ideology are based on people-based doctrine.
2. Electoral democracy. We are against the primacy of the vote, but that does not mean that the vote is no longer important. Elections are, after all, one of the most primitive and important forms of democracy. But how does electoral democracy

work? As mentioned above, popular discontent stems from vertical grassroots politics, horizontal institution-community politics, and issues of political function. As for solving the problems of political function (such as abuse of power, arbitrary project, indiscriminate spending), electoral democracy is powerless—the West did not regulate power through electoral democracy either. However, at the grassroots level and at the community level, electoral democracy is important because people know each other; if a superior forcibly appoints a person whose moral integrity and ability are all in question, people's dissatisfaction is natural. As well, disgruntled people will blame the system and the ruling party, and believe that only because of such a system can there be “sick on the job” of the institution leadership. Similarly, in the communities where people live, residents committees are supposed to serve the residents of the communities, but as de facto first-level government organizations, they also have to do something, such as fulfilling the task of enriching the cultural life of the communities as assigned by their superiors, setting up a stage, singing a play, and showing a movie, and other activities that may be necessary in the countryside, but may be considered as a nuisance in urban communities. In view of this, the community election is also important to elect residents committees that are not just for the superior, but for the people and truly serve the residents.

3. Consultative democracy. “Decision of the Central Committee of the Communist Party of China on Major Issues in Comprehensively Deepening Reform” points out that an all-round and multi-level democratic consultation system should be established, which is a wise move indeed. In my opinion, if we say that at the horizontal level of the grassroots institutions—the communities are in urgent need of electoral democracy, the political function is in urgent need of consultative democracy. Political functions are actually multi-layered, such as residential environment issues related to daily life, community and street construction issues, as well as the concerns brought up by the intellectual and media about the need for a budget law to deal with the departments' wasteful budgets, inefficient budgets and unproductive budgets, all of these would need a consultative democracy. Because the government possesses too many resources and there is no budget law, the harm caused by the government departments making projects and spending money carelessly is obvious to all. To this end, there needs to be a form of consultative democracy to curb the budget misuse of government departments, which requires both consultation with experts and more consultation with the special committees of the People's Congress. By doing so, the government departments cannot take it for granted anymore and not be allowed to do whatever they want. In fact, on issues concerning the interests of the people, some places have already established good forms of consultative democracy, such as the “citizens council” in Chengyang district of Qingdao, where all the policies and projects concerning the life of the residents need to pass the “citizens council”; there is also the system of budget consultation at the township level in Wenling city which has been in place for many years. Local and grass-roots consultative democracy has developed practical or even formative

models; what is urgently needed is to construct a consultative democracy system in the government department decision-making.

4. Participatory democracy. In essence, electoral democracy and consultative democracy are both participatory democracies, but they do not address issues at all levels and in all functions, so the remaining forms of popular participation are classified as participatory democracy. Participatory democracy mainly applies to the political life at the vertical level, including political participation at the grassroots level, the activities of interest groups at the meso-level, and the political participation at the national level. Specific forms include: petition, hearing, expression of views and lobbying activities of interest groups. Among them, petition is taken because the individual interests of the people have been infringed, hearing is related to the immediate interests of the people such as price issues, and expression of opinions is a unique expression of intellectuals' concern for national affairs and the future of the country. In this way, participatory democracy, which is meant to be applied at the vertical level, has the most multi-layered features, with both individual and group interests, as well as national and public interests, reflecting the liveliness of political life. The participation of the common people and the response of the government are the most vivid manifestation and the most essential portrayal of democratic politics.
5. Decentralized democracy. If Westerners call constitutionalism a form of democracy, we have all the more reason to link decentralized politics with democracy and call it "decentralized democracy". This is supported not only by the resources of political theory, but also by the fact that the separation of powers is in itself the best fit for democracy.

The most basic meaning of democracy is that the people are in charge or the majority rule. By the time of the modern state, democracy in its original sense had become indirect democracy or representative, with either the emperor as "representative" or an elected member of parliament or official as "representative". Whoever is the representative is a far cry from democracy in its original sense. But decentralization may bring back democracy in the original sense, that is, allowing the "people" to exercise all kinds of power directly. This is because, for the early developed countries, the formation of the modern state was a process of centralization of power, which greatly weakened the existing local autonomy. In this regard, isn't the decentralization of power by the central government a process of rediscovering the "people"? Thus, the decentralization of power from the central to the local is in fact a process of democratization.

For a late-developing country like China, state construction is different from the order of the early-developed countries, that is, the early-developed countries are in turn social (autonomy), to economic organization, and to political power centralization, while later-developing countries, such as China, first has the centralization and unification of political power on the basis of disunity, then foster large economic organizations, and finally construct society. In other words, the political power has drowned everything, there is no economy and society, everything is politicized. A country that has centralized all power and thus monopolized all resources needs a

great transformation, that is, to cultivate autonomous economic organizations and autonomous social organizations. In the process of the transformation, the central government should decentralize power to the local government to form a central-local relationship of power sharing and co-governance, decentralize power to enterprises to form a good market economy, and the state should decentralize power to the society to form a good civil society. In this way, the centralization of power and resources is the first stage of modern state construction, while the great transformation of decentralization is the second stage of state construction. The great transformation in the state-building of the late-developing countries is undoubtedly a part of democratization, or it can be called “democratic decentralization” or simply “separation of powers of democracy”.

It is worth noting that electoral democracy and consultative democracy in the above-mentioned forms of democracy are indispensable political forms not only in the democratic phase of democratic centralism, but also in the centralized phase, for example, voting and consultation on major issues as well as major personnel arrangements are all important components of the concentration phase. It is in this sense that we say democratic centralism is democratic in its political nature.

Chapter 23

Democratic Centralism as a Political System



23.1 Democratic Centralism: From the Party's Organizing Principles to the Regime's Organizing Principles

China's approach to state-building is different from the so-called social centralism dominated by the business groups represented by Britain and the United States, and it is also different from the state-centered state-centralism under the bureaucratism of France, Germany and Japan. Instead, it takes the Party as the country's organizer, and its time sequence and the organization path are: establishes the Party—establishes the army—revolution—country system. Such a unique path to the founding of the state determines that we must seek a political theory that can explain both the state and the Party. In other words, only the theory that effectively connects the party and the country is an effective political theory. Democratic centralism is just such a political theory, which has evolved from the Party organization principle (can be called “party system”) to the state power organization principle (namely “political system”), and at the same time is the ontological organization principle of the Party and the state. It can also be said that there is an internal organizational logic relationship between the Party and the state, and there is a bridge connecting the Party and the state, that is, democratic centralism. Without democratic centralism, it is difficult to understand the system of leadership of the Party and the state, and how the Party governs the country, or “the state governed by the Party”.

It is generally believed that the democratic centralism principle began with Lenin. This is all well and good in the literal sense of democratic centralism, but in essence democratic centralism is synonymous with, or fundamentally embodies, the “unity of parliament and administration” of the Paris Commune. The so-called principle of unity of parliament and administration means that in a given historical environment, parliament and administration become one, in which elected members also serve as administrative officials; the salaries of officials are strictly limited on the basis of the principle of equality, and officials can be replaced at any time. Thus, the way in which officials are elected is democratic, and the unity of parliament and administration is centralized.

There seems to be a gap in history. In Lenin's secret struggle, the principle of Party building is centralism, i.e., the iron discipline, while one of the leaders of the socialist movement, Luxembourg, thought democracy was lacking, so Lenin renamed centralism as democratic centralism. As Lenin pointed out in 1906:

What remains is a great, serious, and very important task: to truly implement the principles of democratic centralism in the Party organization, —it is necessary to make persistent efforts so that the basic organizations will become the basic cell organizations of the Party in fact, rather than in word, and all the high-level organs will become organs that are truly elected, report on its work and may be replaced. A tenacious effort must be made to establish an organization that includes all the conscious worker social democrats and carries out political activities independently. The autonomy of all Party organizations, which until now had largely been recognized on paper, should be realized. The turf wars and the fear of other "factions" should be completely eliminated. If only we could have truly united Party organizations, within which the various ideological factions of the social democracy can only engage in pure ideological struggle. It's not easy to do, and we can't do it right away. But the path has been set, the principles have been proclaimed, and it is time for us to strive for the full and complete realization of the ideals of this organization. (Lenin, 1987: 59)

At the Sixth Congress, the new Party Constitution was adopted to clarify the collective message of democratic centralism: (1) leading organs of the Party at all levels elected from top to bottom; (2) Party organs at all levels report regularly to their own Party organizations on their work; (3) strictly observe party discipline, with the minority subordinate to the majority; and (4) lower-level organs and all Party members must obey and implement the resolutions of higher-level organs absolutely. Thus the rudiments of the democratic centralism system were established.

The principles of the Soviet Party naturally became the organizing principles of the Third International, and as a branch of the Comintern, the Communist Party of China naturally adopted democratic centralism principles. To this end, the principles of the democratic centralism were formally enshrined in the Party Constitution at the sixth Party congress. The Party Constitution of the sixth Party congress of 1928 stipulates: "Organizational Principles: the Communist Party of China, like the other branches of the Comintern, is organized on the basis of Democratic Centralism."

There was an improving process of democratic centralism in the practice of the CPC, the key points of which were "The Struggle of the Jinggang Mountains", the Gutian Conference and the seventh national congress of the CPC in 1945. In "The struggle of Jinggang Mountains", democracy was mainly embodied in the principle of equality between officers and soldiers.

In the case of the armed forces, equality and democracy could exist within a small organizational institution, but how could democracy be achieved between large-scale organizational institutions and different organizational institutions, that is, between different base areas? For the separatist red regimes at that time, the important thing was probably not democracy, but the issues of how to concentrate; otherwise, the Red Army, which was fragmented, and could not act in a unified way, would inevitably perish in "democracy". At the end of 1929, the Gutian Conference solved the problem of centralization. First of all, made it clear that the Red Army was an armed group with a political mission, opposed the view of pure militarism and established the absolute

leadership of the Party over the army. On this basis, the then prevailing extreme democracy was corrected, that is, establishing the army's democratic centralism principle. In this way, democratic centralism transformed its organizational principles from those of the Party into those of the army, thus ensuring the organizational principles of the integration of the Party and the army under special circumstances, which played a key role in the institutional guarantee of the later development of the Party and the Red Army troops.

In the revised Constitution of the Communist Party of China at the Seventh National Congress of the CPC in 1945, the democratic centralism principle was summed up as: "Democratic centralism is centralism on the basis of democracy and democracy under centralized leadership." The influence of this generalization was far-reaching. What is its specific connotation? Liu Shaoqi gave a full account in his "Report on the Revision of the Party Constitution" (which was renamed "On the Party" when being published). Liu Shaoqi said that the party's leading organs are elected by the Party members; the Party's decisions are gathered from the masses and decided by the Party members' representatives; the power of the Party's leading organs is conferred by the masses of the Party members; and the Party's internal order is founded on the principle of individual obedience to the organization, the minority obedience to the majority, the subordinate obedience to the superior, and the entire Party obedience to the Central Committee. So, the Party's centralism is based on democracy, not away from it, not individual despotism. On democracy guided by centralization, Liu Shaoqi said: "All meetings of the Party are convened by the leading organs, all meetings are conducted with leadership, all resolutions and regulations are formulated with full preparation and careful consideration, all elections are held with a carefully considered list of candidates, and the whole Party has a unified party constitution and unified discipline to be observed by all Party members, as well as a unified leading organ to be obeyed by all Party members. That is to say, inner-party democracy is not a democracy without leadership, not an extreme democracy, not an anarchy within the party." Liu Shaoqi added: "The centralism of intra-party democracy, that is, the system of combining the leading cadres of the Party with the masses of the Party members, that is, the system of concentrating from the masses of the Party members and sticking to it among the masses of the Party members, is a reflection of the mass line within the party." (Liu Shaoqi, 1981: 359).

After the founding ceremony of the People's Republic of China, the principles of democratic centralism basically followed the authoritative statements of the Seventh National Congress of the Communist Party of China, except that the leaders of different periods have made statements based on specific situations. For example, when it came to the third generation of leaders with Comrade Jiang Zemin at their core, democratic centralism developed a leadership system that combined collective leadership with individual responsibility, that is, "collective leadership, democratic centralism, individual brewing, meeting decisions."

From the Party's organizing principles to the army's organizing principles, democratic centralism naturally became the founding and organizing principles of the state, the political system of the New China. In fact, as early as the Yan'an period,

there was the practice of democratic centralism as statecraft, such as the Three-Thirds Principle for the formation of Anti-Japanese democratic regime. The distribution of the members of a democratic regime was one third of the members of the Communist Party, one third of the non-party members of the left-wing progressives, and one third of the members of the middle-wing. The practice of “three thirds system” is conducive to uniting people from all walks of life to take part in the Anti-Japan war. It is a magic weapon of the Communist Party, that is, the classic application of the United Front in the construction of political power. The “Three-Thirds System” refers to the democratic system for the composition of regime, but the operation of the political power must be the centralized system under the leadership of the Communist Party.

The Three-Thirds System, after all, is about how to represent the people or how to make the people the masters of the country, so the Three-Thirds System must be embodied in the composition of the People’s Congress as people’s sovereignty. How is the People’s Congress organized? Or what was the form of government in the New China? It must be the continuation of democratic centralism as principle of the Party and army organization.

23.2 Democratic Centralism as a Political System

It is generally believed that democratic centralism as a political system came from Mao Zedong’s famous *On the New Democracy*, “On the People’s Democratic Dictatorship” and “On the Coalition Government” during the Yan’an period. As a matter of fact, it was Lenin who explicitly took democratic centralism as a political system.

One by-product of colonialism is the awakening of the nationalist consciousness of other countries and nations, so nationalism has become a major challenge for the construction of new nation-states in the twentieth century, and it is also a challenge to the organization of regimes in emerging countries. Against this background, Lenin, though famous for his “theory of national self-determination”, insisted on the centralization of state power over how a socialist state was to be built and how the regime was to be organized, that is, the unitary system in political science, but the single system must be democratic, i.e., democratic centralism. Lenin put it this way:

Of course, Marxists are opposed to federalism and decentralization for the simple reason that capitalism, for its own development, requires as large and concentrated a state as possible. All other conditions being equal, the enlightened proletariat will always insist on building a larger state.....

In the case of a unified state composed of various nationalities, and precisely because of this situation, Marxists would never advocate any principle of federalism or any separation of powers. The great powers of centralization are a huge historic step from the dispersion of the Middle Ages to the future unification of socialism all over the world, and there is and can be no other road to socialism than through such a state (which is closely linked to capitalism).

However, it must not be forgotten that our maintenance of centralization is only the maintenance of democratic centralism. (Lenin, 1990a: 148)

Lenin's opposition to federalism and separation of powers is undoubtedly the organizing principle of power in the sense of central-local relations. One of the major problems in central-local relations is ethnic relations, such as relations between large and small ethnic groups. If federalism is to be maintained on the basis of inequality between nations, such federalism must also be democratic centralism:

The right of national self-determination is only a right of independence in a political sense, that is, the right of political separation from oppression. In particular, such political democracy requires that there be full freedom to agitate for secession and that the issue of secession be decided by the peoples who demand it via referendum. Therefore, this demand for political democracy is not the same as the demand for separation, division and the establishment of small states. It is only a complete manifestation of the struggle against the oppression of any nationality. The closer a country's democratic system is to full freedom of secession, the lesser it will in practice demand it, for the benefits of great powers are indisputable, both in terms of economic development and in the interests of the masses, and these benefits will increase with the development of capitalism. Recognition of self-determination did not amount to recognition of the principle of federalism. It is possible to reject this principle and embrace democratic centralism, but rather than racial inequality, federalism is the only way to achieve full democratic centralism. (Lenin, 1990a: 149)

In fact, this passage contains two very different contexts: first, in the colonial countries where imperialism exists, the oppressed peoples have the right to full national self-determination, that is, the right to national liberation; and second, in the multi-ethnic socialist countries, because of the absence of ethnic oppression, federalism is an organizational system under democratic centralism, even if it is used to guarantee equality among all ethnic groups.

The Chinese Communist Party also advocated federalism in the 1920s and 1940s, and even did so at the 1946 Political Consultative Conference. But at the same time, the transformation of the Party's organizing principle into that of the state power was clearly formed during the Yan'an period.

Thus, the federalism advocated by the Communist Party of China in the 1920s and 1930s referred to central-local relations, and in the 1940s it referred to the principle of dealing with relations between different ethnic groups, while the entire state power was democratic centralism. Like Lenin, if there is federalism, it is federalism under democratic centralism. Indeed, after the founding of the People's Republic of China, a variant of Soviet style federalism, known as regional ethnic autonomy, was introduced, but it operated under democratic centralism.

In his 1945 "On the Coalition Government", Mao Zedong said that the political organization of the new China should be the People's Congress, while the organizational principle of the People's Congress would be democratic centralism.

It should be noted that the theory of political system is abstract, and under any political system there is a fundamental system, basic system or organizational system for support; if the political system of a state is a democratic centralism, under which the operating structural institutions are also democratic centralism, which is a matter of course. Therefore, there is really no need to argue whether democratic centralism is the organizing principle of the People's Congress or the organizing principle of the political system.

Mao Zedong's theory on state founding during the Yan'an period directly became the guiding ideology of the new Chinese Constitution, even the constitution itself. Article 1, the "General Principles" of the 1954 Constitution stipulates the state system of new China, and Article 2 is the political system: "Article 1. the People's Republic of China is a people's democratic country led by the working class and based on an alliance of workers and peasants. Article 2. All power in the People's Republic of China belongs to the people. The National People's Congress and the local people's congresses at various levels are the organs through which the people exercise power. The National People's Congress, local People's Congresses at various levels and other state organs shall all practice democratic centralism."

Democratic centralism in the 1954 Constitution refers specifically to the way state institutions are constituted, i.e. the executive branch is created by and accountable to the NPC. By the 1982 Constitution, democratic centralism includes not only the organization of the state organs, i.e., the horizontal power structure, but also the composition of the state structure, i.e., the relationship between the central and local governments. Article 3 of the 1982 Constitution stipulates: "The state organs of the People's Republic of China implement the principle of democratic centralism. Both the National People's Congress and the local people's congresses at various levels are democratically elected, accountable to and supervised by the people. The state executive branch, judicial organs and supervisory authorities are all created by the People's Congress and are responsible to it and subject to its supervision. The division of functions and powers between the central and local state organs follows the principle of giving full play to local initiatives and enthusiasm under the unified leadership of the central government."

It can be seen that there is an expanding process in Chinese people's understanding of the system of government, that is, the system of government includes not only the horizontal organization of state power, but also the vertical form of state structure, that is, the central-local relationship. This, in fact, is more in keeping with the theory of government itself. In the final analysis, political system is the ruling power and the power relationship built around the ruling power; simply speaking, polity is the sum of the power relations. According to this, the political system connotation is different from time to time. In the period of city-state, because it is a typical political society, and there is no scale in the sense of modern state and the central-local relationship resulted from it, the political system mainly refers to the ruling power. The definition of Aristotle is: "The functional organization of a city-state determines the arrangements of the supreme governing bodies and authorities and establishes the aims sought by the city-state and its members." (Aristotle, 2008: 181) Here the polity is made up of at least three aspects: the first is the purpose of the city-state, which today is called the value of statehood; the second is the right to rule; and the third is the arrangement of the regime built around the right to rule, which is the state apparatus. Even in the days of the city states, Aristotle had proposed a system of regime consisting of three powers, namely, deliberation, administration, and trial, which is the source of what we see as the separation of powers. According to this, later scholars summed up the relationship between the three powers as parliamentary system, presidential system and mixed system of

government. In a strict sense, parliamentary system cannot be called political system, because it is only a kind of power in regime arrangement, i.e., power relationships, and the political system as the sum of power relationship cannot be replaced by a kind of power form.

In the modern age of the state, there is an issue of the size of the state that the classical theory did not face. Thus, the theory of political system, such as unitary state and federalism, emerged in time to answer the question of how large states are organized. The result of the study of the theory of new political system in China is that, in the era of market economy, power relations not only include the state organs in the narrow political category and the relations between the central and local governments, but also the economic power, i.e., the capital power, which actually has become a kind of power that influences politics and cannot be ignored. Therefore, the study of the theory of political system after the market economy era cannot be separated from the dimension of political-economic relations. Capital power is important, and so is social power, because one of the most important features of modern politics is the popularity of politics. In this way, the dimension of political-social relations or state-social relations cannot be ignored in the theory of modern political system (Zeng Yi, 2015). That is to say, today's theory of polity is no longer simply about the pure politics of state institutions, but also about the two major variables of economy and society. Polity is the sum of the three relations of politics, economy and society. In China, there are not only state power structure, but also government-market relationship and state-society relationship.

Part VI

Power Relations Centered Around Democratic Centralism

After democratic centralism version 1.0 of the revolutionary period, version 2.0 of the first 30 years of the People's Republic of China and version 3.0 of the reform and opening-up period, the factors of democracy have become more and more numerous, the scope of concentration has become smaller and smaller, and the relationship between democracy and concentration has been tending to balance. In my opinion, compared with the political imbalance caused by "partisan democracy" and the universal "veto-type political system", the global significance of the Chinese system lies in the "balance", that is, the balance between democracy and centralism. Modern politics is mass right politics, and it cannot work without democracy, but modern politics cannot leave the authoritative structure on which mankind has lived for thousands of years, or it will become the jungle rule of anarchism. Comparative politics tells us that the problem in many countries is the imbalance between modern politics and traditional politics, which leads to "invalid democracy" of "veto-type political system".

A political system is not only an issue of who governs, but also an issue of power relations of how to govern. A political system is the sum of all power relations. In China, the connotation of political system includes not only the constitutional form of state organs (the People's Congress and the "one government, two courts") (Translator's note: two courts refers to the Supreme Court and the Supreme Prosecutor's Office) and the central-local relationship, but also the political-economic relations and the state-social relations. We find that both the traditional form of government, that is, the form of state organs and the central-local relationship, and the political-economic and state-social relations derived from the reform and opening-up, all of which embody the principle of democratic centralism, whether tangible or intangible, which may be called version 3.0 of democratic centralism.

With this "discovery" of the "democratic centralism regime", we will come to realize that the various concepts of Chinese politics, such as "authoritarianism", "developmental state" describing political-economic relations, "corporatism" describing state-social relations, "unitary system" or "economic federalism" describing central-local relations, all of which are aspects of Chinese politics, or

concepts of blind men and an elephant, but only the concept of democratic centralism can describe or represent the Chinese political system in a comprehensive way.

Chapter 24

Principles of Democratic Centralism in the People's Congress System



The National People's Congress is known as the highest organ of state power, and the State Council as the highest state executive branch and the central government, both of which are collectively referred to here as the "central organ of power." The constitution stipulates that the relationship between the People's Congress and the "one government, two courts" is of democratic centralism principle. This chapter focuses on the democratic side of the People's Congress and concurrently on the centralized institutional arrangements of the People's Congress.

Behind the representative government, there are many popular democratic theories on which the representative system has become synonymous with political legitimacy. And what is the theoretical basis of democracy in China's People's Congress? So far, there have been few complete and systematic explanations about this issue. In the past, we often emphasized the popular sovereignty, but in fact, the popular sovereignty is also the theoretical basis for a representative government, and cannot distinguish the difference between the system of China's People's Congress and the Western representative system principles. Therefore, it is necessary to re-discuss the democratic theoretical basis for the People's Congress system in order to deepen our understanding of the fundamental political system of China.

There are mainly three modes of explanation in the research on the theoretical basis for the system of the National People's Congress (NPC) in domestic academic circles: (1) From the angle of constitutionalism, it is believed that People's Congress is a constitutional system, emphasizing that the construction of the People's Congress should be directed towards constitutional government (Xie Qingkui, 2005). (2) From the perspective of people's sovereignty and representative system, it is believed that People's Congress system is a type of representative system, which is based on the theory of people's sovereignty and the theory of democratic republic of Marx and Engels (Cai Dingjian, 2003; Pu Xingzu, 1999; Zhou Zhongye, 2005). (3) From the viewpoint of the theory of representation, some scholars, when studying the relationship between deputies and voters, include the deputies to the People's Congress of China in one of the categories, and analyze the peculiarities of the Chinese system

(Hu Weijun, 1998; Wen Hui, 2001; Zou Pingxue, 1994). Although the representative system is an important part of the NPC system, but the latter also includes the organizational system of the Congress, the working procedure system and other broader content, the pure representative theory is not enough to explain the whole NPC system. In terms of the research abroad, Western scholars generally focus on the comparative perspective of the legislative system, analyzing the legislative process, role, and reform of the National People's Congress and the relationship between the National People's Congress and other institutions, and they usually focus on empirical analysis, and rarely discuss the democratic theoretical basis for the NPC system from the normative perspective.

From the existing literature, the interpretation of people's sovereignty has become the mainstream perspective. Researchers in political science and law often judge according to constitutional and legal texts and hold that People's Congress is an institutional setting for the realization of people's sovereignty. However, the popular sovereignty answered only the question of sovereignty, that is, substantive democracy, and did not address the procedural issues of the People's Congress. Any democratic system should be the unity of substantive democracy and procedural democracy, and the theoretical basis for People's Congress democracy should be examined from the perspective of other procedural democracy besides popular sovereignty.

On the basis of examining the characteristics of the People's Congress, we consider it to be both a substantive democracy and a procedural democracy. The theory of people's sovereignty, the theory of representative system and the theory of consultative democracy are the three bases for the People's congress system, but, the representative system and consultation system as procedural democracy have seldom explained systematically in theory.

24.1 Theory of Popular Sovereignty

The theory that all state power belongs to the people can be traced back to the theory of "sovereignty lies in the people", i.e., people's sovereignty. Although the idea that "political authority comes from the people" has a long history, the first full expression of the sovereignty of the people was given by the French enlightenment thinker Jean-Jacques Rousseau.

Marxism inherited Jean-Jacques Rousseau's idea of people's sovereignty, and Marx's *Critique of Hegel's Philosophy of Right* is "a work permeated from beginning to end with typical Jean-Jacques Rousseau's idea of people's sovereignty" (Volpe-Della, 1993). The practice of the Paris Commune concretized Marx's idea of people's sovereignty. The Paris Commune has four basic characteristics: (1) the commune is made up of deputies elected by universal suffrage, who are accountable to the electorate and can be removed at any time; (2) the commune is the working organ of the executive and the legislature, and the right of initiative in all social life is reserved to the commune; (3) abolish the bourgeois standing army and replace it with an armed people; (4) abolish the old police, judges and administrative officials

and turn all public servants into public servants of the people. Marx argued that the Paris Commune's actions effectively ensure that its highest authority belongs to the working class and to the working people as a whole, and that the people are in charge. These practices of the Paris Commune, summed up by Marx and Engels, became the universal principles of the establishment of a socialist state. For example, Engels's assertion in the 1891 that "all political power is concentrated in the hands of the People's representative organs" was a development of Marxism's view that "the right of initiative in all social life is reserved to the commune". This became the theoretical basis of Lenin's "all power belongs to the Soviet Union" and the theoretical origin of the People's Congress as the organ of state power of China. In contrast to Jean-Jacques Rousseau's insistence that the government should be decided by regular assembly of the people, Marxism emphasized the exercise of all powers by the representative organs, and that the people should produce and supervise the members of the representative organs. The former is a kind of direct democracy, while the latter belongs to indirect democracy.

In the political practice of socialist countries, the idea of people's sovereignty has become the basic principle of the construction of proletarian political power. The principle of people's sovereignty is first embodied in the institutional arrangement of the People's Congress. People nature is the primary democratic characteristic of the People's Congress system, article 2 of the Constitution of PRC stipulates: "All power in the People's Republic of China belongs to the people. The organs through which people exercise state power are the National People's Congress and the local people's congresses at various levels." The people nature is determined by the nature of the state, which permeates all aspects of the People's Congress system: First, the members of the people's congresses at all levels are elected on a broad, equal and regular basis, and the people have the right to supervise and recall their deputies. Second, the power of the People's Congress comes from the entrustment of the people. It exercises the state power uniformly and has full power. Third, the People's Congress, which holds all the power of the state, does not exercise all the power itself. It delegates executive power and judicial power to the "one government, two courts", which it creates, and keeps them under supervision. Fourth, state organs and their functionaries are subject to the supervision of the people, who have the right to criticize, put forward suggestions and make suggestions on the work of state organs, and to report and accuse state organs' functionaries of illegal and dereliction of duty. It can be seen that the power of the state is developed according to the logical sequence of "people—the People's Congress—a government and two courts". The people are the ultimate source of sovereignty, and the People's Congress is the plenipotentiary organ for the people to exercise the power of the state, the "one government, two courts" exercise part of the functions and powers respectively on the entrustment of the organs of power. The exercise of power is carried out according to the will of the people, who have the right to correct any deviation in the exercise of power.

The above-mentioned institutional arrangements mean, on the one hand, that the people, as sovereign persons, have all the power, but that the people do not exercise the power of the state directly, but delegate it to their elected representatives through universal suffrage; at the same time, the people's congresses, through elections and

voting, entrust the executive power and judicial power to the “one government, two courts” respectively. On the other hand, the people retain ultimate control over the power of the state. When necessary, the people have the right to replace their “public servants” directly as masters or indirectly through the People’s Congress in their capacity as masters, and to re-select those who exercise power, thus guaranteeing that the power of the state will always belong to the people.

The power logic of “people—People’s Congress—one government, two courts” not only follows Marx’s partial representative system, but also inherits some of Jean-Jacques Rousseau’s viewpoints. The people are the source of political power and constitute the sovereign, which is the common proposition of Rousseau and Marx; the unified exercise of state power through such a representative body as the people’s elected Congress is a realistic version of Marx’s statement that “the right to initiate all social life is reserved for the commune” and Engels’s statement that “all political power is concentrated in the hands of the people’s representative organs”, and overcomes Rousseau’s defect in advocating regular assembly of the people; the Congress entrusted the executive power and the judicial power respectively to the “one government, two courts”, and supervise them, in accordance with Jean-Jacques Rousseau’s view that “the government is an intermediary between the sovereign and the subjects, and the government power comes from the entrustment of the people”, only that here the “entrustment” is accomplished by the People’s Congress on behalf of the people, which belongs to a kind of “indirect entrustment”. Moreover, the delegation of executive power and judicial power to “one government, two courts” goes beyond Marx’s original idea of “the unity of parliament and administration” and is a direct product of the establishment of the People’s Congress in China by drawing on the Soviet Union’s constitutional system of 1936.

24.2 Theory of Representation

The theory of representation is mainly concerned with the relationship between representatives and voters. Representative system is an indirect democracy in which the elected representatives exercise power. Therefore, the relationship between the representative and the voters has become an unavoidable basic issue of the representative system. As Zhou Yezhong said, “the representation system is the core of the representative system, without the representation system there is no representative system” (Zhou Yezhong, 2005). In the process of the development of representative system, thinkers have formed different representative theories, and different countries have established different legal systems of the relationship between representatives and voters. These theories and systems provide references for building a new type of representative-voter relationship in a socialist country.

In political science, representation means an intermediary relationship in which an individual or group acts or speaks for a larger group. The debate on the theory of representation centers on the status and role of the members of the representative body, especially when the right to vote is extended to the majority of the members

of the society, the relationship between representatives and voters becomes a subject of endless debate. Whether a representative should represent opinions or interests, individuals, classes or sectors, the different answers to these questions constitute different theories of representation.

From the point of view of constituency, the representative system theories are multifarious. In the context of China, we prefer to divide the theories of representation into three types: class representation theory, party representation theory and industry (occupation) representation theory.

1. Theory of class representation. Marxists hold this view. According to Marx, society is composed of two or three economic classes. Class conflict is a fundamental conflict in society, and the political system as a superstructure is determined by the economic structure and economic relations. In a capitalist society, the basic conflict takes place between the bourgeoisie and the working class. The state is only the committee that manages bourgeois affairs. Its first task is to safeguard the capitalist system. In such a society, representative bodies can play a communication role. When the environment is relatively favorable, it can bring about the improvement of the living conditions of the workers, but it cannot change the basic fate of the working class. Therefore, the representative institutions of a capitalist society conceal the essence of class struggle. Socialist countries do not want to abolish the representative system, but to establish a new type of representative system. "The commune must be made up of municipal representatives of the districts... most of whom will naturally be workers or recognized representatives of the working class," Marxism said (马克思 & 恩格斯, 1965). Here, Marxism first elaborated the representative theory in the new representative system, explaining class nature of the representative. Vladimir Lenin also illustrates the class nature of the representation of the Russian representative body in terms of the attribution of power: "The regime should belong completely and absolutely to the working people and their plenipotentiary organs—Soviet of the worker, peasant and soldier representatives" (Lenin, 1975: 406).
2. The theory of party representation. The theory of party representation considers the influence of the rise of party politics on the representative system. In countries where party discipline is strong, parliamentarians represent the will and interests of the party, rather than any other will and interests. When voters' opinions and a MP's own judgments of the public interest conflict with the Party's views, party leaders force the MP to vote according to party views. In such cases, members of parliament are obliged to support their political parties, since their election is based on the platform of the political party and the nomination of candidates within the party. The corresponding elections were also transformed from a choice between candidates to a choice between a number of programs of action.
3. The theory of trade (occupation) representation. This representative theory was advocated by the French syndicalists in the nineteenth century and the British guild socialists in the twentieth century. The syndicalists believe that when

representatives come from different industries, it is inevitable that representatives will be influenced by the special interests of their industries. Where the special interests of the industry are binding on their representatives, it may be possible to rationalize the structure of representation so that different industries can actively influence national decisions through their representatives in order to ensure the balance of the interests of various industries and the fairness of national decisions. The theory of industry interest representation is mainly based on the criticism of geographical representation. This argument contends that geographical representation is difficult to represent the interests of different professions and leads to a lack of specialized professionals in the state to perform technical legislative work; hence, the trade representative system is advocated. The British guild socialists developed this representational theory to its zenith. The guild socialists, represented by Penty, Hobson, and Cole, advocated the establishment of a democratic, industry-based workers' organization—guild, which manages industry. The state, they argued, is merely a political body that represents the interests of consumers; it occupies the means of production, but it is not the supreme authority that governs everything. The state and the whole country are on an equal footing, and the two organizations consult each other on issues of common interest with producers and consumers. In the event of conflict, the decision is made by an institution for citizens of all walks of life, the joint committee (made up of guilds, the guild congress and the government). Among the guilds, the annual guild congress is the highest organ of power, and every guild is represented there. The practice of the People's Congress of China in establishing a system according to trade (occupation) is similar to this practice.

The relationship between representatives and voters in China's People's Congress is not as clear cut as it is in the West, although existing laws have made relevant regulations. Article 76 of the Constitution stipulates: "A member of the National People's Congress shall maintain close contact with the original electoral constituencies and the people, listen to and reflect their views and demands, and strive to serve the people." Articles 2 and 4 of the Law of Representatives stipulate respectively that "deputies to the National People's Congress and local people's congresses at various levels, representing the interests and will of the people, participate in the exercise of state power in accordance with the functions and powers conferred on the People's Congress by the Constitution and the Law"; "deputies shall maintain close contact with the voters in the original constituencies or the original electoral constituencies and the people, listen to and reflect their opinions and demands, and strive to serve the people." "Representing the interests and will of the people" can be interpreted as "representing the interests of the people of the whole country" or "representing the interests of constituencies, industries or organizations" (Zou Pingxue, 1994). What is the relationship between delegates and voters in the People's Congress of China?

People is not an abstract subject, but a pluralistic and concrete subject distributed according to region, occupation, class and stratum. Therefore, people's sovereignty is actually the sovereignty of countless individuals with different status and interests. In this sense, people's congresses at all levels, as organs of the people's exercise

of sovereignty, should also be composed of representatives who can fully reflect the characteristics of different regions, professions, classes and strata. The “electoral constituency” provision of the *Constitution*, in fact, contains a work *danwei* based on occupation and industry, and is therefore a typical system of industry representation. Therefore, in China, people’s congresses at all levels not only have the characteristics of regional representation, but also the color of the system by industry, which is most evident in the election of deputies to the people’s congresses. In the direct election of deputies to county and district people’s congresses, according to Article 24 of the *Electoral Law*, voters with common identity are generally distributed into single or joint electoral districts and elected as 1–3 deputies, such as representatives of ethnic minorities, returned overseas Chinese and so on. The principle of the allocation of quotas also requires: “Attention should be paid to the proportion of the sectors represented, so that workers, farmers and herdsmen, cadres, intellectuals, the People’s Liberation Army, democratic patriots, returned overseas Chinese, family members of overseas Chinese, other working people and women are all properly represented” (杨孟才, 2001). In indirect elections at and above the county level, candidates are also determined on the basis of the number and proportion of representatives of different sectors. Although indirect election is based on geographical (constituency) election to elect deputies to the People’s Congress at a higher level, but each geographical (constituency) is to determine the number and proportion of representatives in various areas by industry. The recent composition of the member of the National People’s Congress fully illustrates this point. From the sixth session to the 10th National People’s Congress, the total number of representatives remained stable between 2970 and 2984, the proportion of workers and peasants representatives remained between 16.6 and 23%, the proportion of intellectuals between 21.1 and 23.5%, the proportion of cadres’ representatives remained between 21.40 and 32.40%, the proportion of PLA’s representatives remained stable at 9%, and the proportion of returned overseas Chinese remained between 1.2 and 1.60% (Cai Dingjian, 2003). According to the industry and occupation composition of the members of the National People’s Congress in the last two terms, the proportion of representatives from each industry (occupation) has not changed much. In short, as a non-competitive, non-professional representative system, the composition of representatives has the dual characteristics of electoral constituencies (which in China are electoral *danwei*) and industries, in which the industrial nature reflects the electoral districts, that is to say, the representatives of each electoral unit are mainly representatives of the trades and professions. According to the functional organization system, it is a kind of system arrangement to ensure the realization of the people’s nature from the procedural angle.

The People’s Congress is a microcosm of the social structure and is organized according to different functional groups. Deputies to the National People’s Congress appear to come from the constituency system, but in fact each constituency produces industry representatives. Whether by region, by ethnicity, by party or by gender, the ultimate place for the delegates is in their careers.

The people have never been abstract, but made up of innumerable concrete subparts; the will of the people has never been innate, but is formed by the integration

of numerous “popular will”. The system of people’s congresses operates according to such a mechanism: It brings together the interests and will of different parts of society (especially different sectors), through the intermediary of appointed representatives of the people to the People’s Congress, through communication, consultations and compromises in the general assembly; in the end, the will and interests of the whole people is formed according to the principle that the minority is subordinate to the majority.

24.3 The Theory of Consultative Democracy

Deliberative democracy is a form of democracy that aroused wide concern in the West in the late twentieth century. Although China has not developed a mature theory of deliberative democracy as in the West, there exists a rich, multi-level socialist democratic system and political practice embodying the characteristics of consultative democracy, such as the system of political consultation, hearings, democratic talks, civic councils, villagers (residents) representatives assemblies, and so on. He Baogang summarized the common features of these systems and practices: (1) before making a conclusion, bring people to the table and encourage them to speak up; (2) participants have sufficient time to participate in the consultation process and a small amount of time to participate in the discussion; (3) in the course of the consultation, the participants are asked to exchange views on the basis of mutual respect, despite differences of opinion. In his view, the socialist political system and culture encourage the participation of the masses and emphasize the tradition of consultation as an important factor in the development of consultative democracy. (He Baogang, 2006). As far as the spread of consultative democracy theory in China is concerned, the compatibility of political ideas, the existing political resources and the consideration of the ruling party’s reform have enable the theory of consultative democracy to gain a foothold in China, attracting a number of intellectuals and politicians. Some scholars believe that the complementary democratic system of election and consultation is democratic politics with Chinese characteristics, and consultative democracy can make up for the deficiency of election democracy (Chen Jiagang, 2006; Li Junru, 2005; Zhuang Congsheng, 2006). Some scholars even think that consultative democracy is superior to competitive electoral democracy in value (Lin Shangli, 2003). Some CPPCC members said at the “two annual national conferences” in 2007 that the Western theory of deliberative democracy is out of touch with its practice, while China already has the concept and successful practice of consultative democracy, and called for further political reform and the building of a harmonious society through consultative democracy (Chen Shuyu, 2007). In February 2006, the CPC Central Committee, in its “Opinions on Strengthening the Work of the CPPCC”, clearly stated that elections and consultations are two important forms of socialist democracy in China, which, to some extent, shows the approval of the theory of consultative democracy at the highest level.

Although People's Congress is based on elections, consultation is also an important democratic characteristic. In the People's Congress, consultation mainly manifests in two aspects: (1) From outside of the system of people's congresses, whenever people's congresses at various levels meet, the Chinese People's Political Consultative Conference at the same level also holds meetings to put forward opinions and suggestions on major issues discussed by people's congresses and on personnel arrangements, thereby affecting the legislation and decision-making of people's congresses. To some extent, the opinions of the CPPCC system have been embedded in the running process of the National People's Congress. (2) People's congresses at all levels attach great importance to democratic consultation in terms of the operation of the system itself. The meetings of the people's congresses and their standing committees at all levels, whether they are the deliberation of draft laws and decisions or the discussion of personnel arrangements, are held based on the meetings of delegations or groups, and then amendments are made to the proposals on the basis of reasonable comments from various quarters, and put it to a vote in the plenary. If there are differences of opinion on some important issues during the deliberations or if an issue is found to be unresolved, the vote is held in abeyance until conditions are ripe or the issue is resolved. Within the delegation or group meeting, there is also full discussion and deliberation among the representatives or members of the Standing Committee on an equal footing to form the decisions and overall views of the delegation or group before bringing them to the plenary. It can be said that every law, regulation and major decision adopted by the National People's Congress is made after full consultation and consideration of all views, and the views and interests of minorities are not neglected because of lack of representation.

It is precisely because of this system, the NPC's legislation and decision-making have enjoyed a very high public opinion base. In addition to the CPPCC system, another major embodiment of consultative democracy is at the level of national system. If the election campaigns and manipulation of information in the parliaments of Western countries make deliberative democracy difficult to achieve in this field, then the people's Congress of China has broken through these restrictive factors, which shows the superiority of the regime with Chinese characteristics. The deliberation process of the *Property Law* is a classic illustration of the consultative characteristics of the NPC system. In this legislative example, the consultation procedure has been developed vividly and incisively between the National People's Congress and the CPPCC, between the National People's Congress and citizens, among delegations or groups within the National People's Congress, and among representatives of delegations or groups.

Despite the inherent shortcomings of indirect elections, consultative democracy undoubtedly helps to remedy the shortcomings and to make the will of the people as attainable as possible. Specifically, consultative democracy brings the scattered opinions and partial interests of the voters into a specific situation through the intermediary of the deputies to the People's Congress, a set of careful procedural rules, and legitimate procedures (equality of participants, free discussion, consensus reached through consultation), thereby achieving a legal result acceptable to all. As some republicans argue, the legitimacy of public policy does not have to be based on the

consent of the people as liberals argue, as long as there are conditions for argument (博耶 et al., 2006). Although this statement is extreme, but to some extent, it shows the significance of consultation to the legitimacy of policy.

If we do not get bogged down in details and dogma, instead, tightly grasp the core elements of consultative democracy, we must admit that there is rich practice of consultative democracy in the People's Congress of China, and consultative nature is the distinctive feature of the operation of the system of the People's Congress. Although we have not developed a theory of consultative democracy, but the long-existing deliberative democracy from the procedural aspect constitutes the NPC's institutional support.

24.4 Concentration of People's Congress

The realization of the principle of people's sovereignty requires not only the form of procedural democracy, but also the institutional arrangement that can unify the various procedural democracies. Otherwise, as we have seen, many countries in transition are mired in a indirect democracy of partisan democracy. Deng Xiaoping once said, "what we have implemented is the one-chamber system of the National People's Congress, which is most in line with China's reality. If the policy is right and the direction is right, the benefits of such a system are great, and it helps the country to prosper and avoid a lot of involvement" (Deng, 1993). Recalling the current predicament of many countries in transition under partisan democracy, we are more aware of the great wisdom in Deng Xiaoping's plain language. In China, this system of integrating procedural democracy is fully embodied in the Party Constitution as well as clearly stipulated in the Constitution, concretely embodied in the principle of the Party's leadership and the principle of the unity of parliament and administration.

1. Party leadership. About China's basic political system, the complete statement should be "People's Congress under the leadership of the Party." Speaking at the 60th anniversary of the founding of the National People's Congress, General Secretary Xi Jinping said that "we will ensure that the Party leads the people in effective governance of the country, and we will earnestly prevent the phenomenon of being leaderless and scattered." This is an objective description of China's history and reality, which is also a summary of the experience in a comparative perspective.

The party politics in the West is originated from the parliamentary politics after the bourgeois revolution, so the political parties were formed in the parliamentary activities, and there are party groups inside the parliament, so a political party is just a political organization of interest group. Quite different from the Western party politics, the CPC is the founding party and the organizer of a scattered country. The road map for the founding of the republic was "to establish the Party— to establish the army— to initiate the revolution — to establish the state (as a national institution)". Therefore, the Party leading the People's

Congress is the endogenous logic of history and a kind of factual existence. We cannot use the constitutionalism theory based on Western history to observe the history and reality of China. However, many countries have ignored their own history and engaged in partisan democratic constitutionalism. What is the result? Therefore, in theory, the superiority of the fundamental system under the leadership of the Party should be further studied and understood.

Then how does the Party lead the National People's Congress? In terms of system design, there are party groups within the People's Congress and a presidium when the People's Congress convenes. These Party organizations turn the Party's will into law and policy. In a speech marking the 60th anniversary of the founding of the National People's Congress, Xi Jinping said: "We must constantly strengthen and improve the leadership of the Party, be good at making the party's ideas become the will of the state through legal procedures, be good at making candidates recommended by Party organizations become leaders of state organs through legal procedures, be good at exercising the Party's leadership over the state and society through the organs of state power, and be good at using the principles of democratic centralism to uphold the authority of the Party and the state and the unity of the whole Party and the whole country." Here, democratic centralism being on top of the legal procedure, is the basic principle for understanding the relationship between the Party and the NPC.

2. The principle of unity of parliament and administration. The principle of unity of parliament and administration was the initiative of the first proletarian regime, the Paris Commune, and an important part of the democratic centralism regime, and a theory and system in opposition to the separation of powers under the indirect democracy. Thus, one of the ways in which the advantage of democratic centralism over indirect democracy is realized is through the system of unification of parliament and administration. In the Constitution of China, the principle of the unity of parliament and administration is mainly embodied in the principle of the composition of state organs. "One government, two courts" produced by the National People's Congress are responsible to the National People's Congress, and the National People's Congress shall exercise supervision over them.
3. As a system that has been operating for 70 years, there are undoubtedly imperfections, such as the NPC's supervisory functions are yet to be brought into full play; however, the principle of the unity of parliament and administration has obvious institutional advantages, compared with some of the large developing countries who are locked in the confrontation and strife as a result of separation of powers, which has stunted national development and the well-being of their people.

24.5 Summary: Chinese Political Practice and the Discovery of Democratic Theory

If the people nature of the People's Congress is a fundamental system about the attribution of power, the functional organization system is a technical institutional arrangement to realize this fundamental system, and consultation is a major principle and way in which the People's Congress operates. The three democratic systems link up and complement each other, constituting a trinity system. Each institutional arrangement of the People's Congress embodies a corresponding theory of democracy. As a democracy, People's Congress is the unity of substantive democracy and procedural democracy, whose theoretical basis accordingly includes the popular sovereignty as substantive democracy and the theory of representation and consultative democracy as procedural democracy.

It is not difficult through an examination of the theoretical foundations of People's Congress democracy to find that although the current People's Congress in China is influenced by both the revolutionary tradition and the Soviet model, it does not get rid of the basic principle of Western parliamentary politics—people's sovereignty and representative politics. In this sense, the People's Congress is similar to the Western parliamentary system, at least in terms of political principle and organization. Thus, when discussing the People's Congress, it can be seen as a specific type of representative system.

However, recognizing that the People's Congress possesses the same theoretical basis for democracy as the parliamentary systems of Western countries does not mean that the two systems are the same. The rich practice of consultative democracy in the People's Congress, in part, transcends Western parliamentary politics. In this respect, the People's Congress enjoys its own characteristics, just as the political system as a whole has its own characteristics.

Some people are unduly humble on the issue of China's democratic politics, always using the Western political system to examine the rationality of China's political system, and therefore turn a blind eye to the democratic factors in China's political system, such as the democracy of the People's Congress. While the Western countries establish the representative government on the principle of people's sovereignty, with the representative system as the core and the rule of law as the guarantee, China constructs her own socialist democracy on the same principle. People's sovereignty, representative system and the rule of law are seemingly Western countries "patent" political concepts, which China actually does not lack, at least since modern times China has been working on these concepts. China's electoral democracy, which embodies people sovereignty, has been developing, while the institutional arrangements of representative democracy and consultative democracy already exist, but which requires a new democratic theory to reinterpret and review China's politics.

Finally, it should be noted that this section deals at the normative level with the theoretical foundations of democracy in the People's Congress. When we say that every institutional arrangement of the People's Congress embodies the corresponding democratic theory, it does not mean that these democratic principles are fully realized

in actual political life. In realistic politics, some institutional arrangements need to be “activated” to enrich the procedural features of socialist democracy, for example, the inequality of the proportion of urban and rural representatives, the flaws in the implementation of the election law, as well as the asymmetry of the consultation having to some extent affected the people’s nature, the principle of entrustment and the consultative nature of the People’s Congress. However, while the theory explains the world, it also provides the basis for us to reform the world. To discuss the theoretical basis of democracy in the People’s Congress not only helps to deepen our understanding of the fundamental political system of China, but also helps to reform and improve the People’s Congress and strengthen the construction of socialist democracy.

Chapter 25

Central-Local Relations: Political Unity and Economic Federalism



The central-local relationship of democratic centralism, as stipulated in the Chinese Constitution, is in fact an expression of the unitary system in political theory or the Chinese characteristics of the centralized system. In the unitary central-local relationship, the local authority comes from the authorization of the central government. The local authorities enjoy a certain degree of local autonomy but must carry out the general policies of the central government. Practice has proved that for China, a developing country with a tradition of grand unity and multi-ethnic groups, the unitary system effectively guaranteed the “nationality” in the process of modernization—It should be noted that many multi-ethnic developing countries have been split in the process of modernization. Therefore, the unitary system of central-local relations cannot be shaken. On the other hand, the economic reform as the “second revolution” has brought structural changes to the relationship between the central and local governments. As the “agent” of the central government in the past, local governments now increasingly enjoy the role of being the main body of interests; thus, “economic federalism” in the economic relations has appeared in the academic circles. The so-called “economic federalism” is the sharing and co-governance of economic power brought about by the decentralization of economic power, in which fiscal power is the core. Following this process in China, the centralized countries in the world, such as Britain and France, have seen a tendency to decentralize economic power, even the federalist India has followed suit. Therefore, the economic federalism is closely related to the market economic system. Thus, in China, on the one hand, the traditional political unitary system has not changed much in the structure, but in the economy “federalism” has taken place, and the central-local relationship has developed a dual structure of politics and economy. This duality in central-local relations is consistent with Chinese politics as a whole, which has evolved from political and economic integration in the era of planned economy to political democratic centralism and a market economy system. Even so, both central and local relations, as well as political and economic relations, are inseparable from democratic centralism, or de facto democratic centralism.

25.1 The State Theory of Central-Local Relations¹

In traditional political science and constitutional theory, the central-local relationship is called the structural form of the state, so the theory about the central-local relationship is constructed as the structural theory of the state, and the state structure can be divided into unitary system and federal system. I believe that “state structure” is not a good conceptual construct in itself, and the historical background and the methodology of social science determine that the traditional state theory can no longer be used to interpret the changing relationship between central and local governments in China.

(1) The historical background of the theory of state structure and the challenge of institutional change. In the process of the formation of European nation-states, the theory of state structure about central-local relationship emerged as the times demand. Common sense tells us that the formation of the nation state was a process of suppressing localism and cultivating centralization, so it would be nice to say that a unitary system characterized primarily by centralization (assuming, for the moment, that the unitary proposition is correct) is universal. From the eighteenth century to the nineteenth century, constructing a nation-state by the way of power sharing was indeed an exception, and such an exception is the most typical federal state of the United States, thus forming the exception theory of federal system. But without exception, the turning point for the United States to truly become a modern country was the war, i.e., the American civil war, which was a denial of the constitution system at that time, and the amendments to the Constitution of the 1787 after the civil war made the United States truly a federal state of power sharing within a unitary state (Ouyang Jinggen, 2007). It seems that in both Europe and North America, nation states grew up in bloody wars, and war is the highest form of concentration of state power, but the result of war may be power-sharing, such as Britain and the United States, or it could also be centralization, like Germany and France. The early developed countries completed nation state building in the nineteenth century, and most later developing countries continued the process into the 1960s.

If the unitary system is the general rule and the federal system is the exception during the period of the nation-state growth and construction, then, in the process of state governance after the nation-state construction is basically completed, federalism, which features autonomy and shared governance, is a common trend. When China began to decentralize power in 1978, India, another giant in the developing world, began to follow a similar path, and Britain in the developed world began the Thatcherite decentralization and privatization, and then formed a worldwide wave of federalist revolution. First is fiscal decentralization. In 1978, local governments in various countries accounted for 20% of their national spending, but by 1995 that figure had risen to 32%, with Denmark, a unitary state, having even greater local fiscal

¹ For a systematic discussion of this theory, see Yang, Guangbin. 国家结构理论的解释力与适用性问题 (The Explanatory Power and Applicability of the State Structure Theory). Teaching and Research, Issue 7, 2007.

power than local governments in the United States. Second is the decentralization of policy. In 1975, 20% of the central government had no control over local governments in terms of policy authority in such areas as primary education, infrastructure (construction of local roads) and local security. By 1995, that proportion had risen to 60%. The final point is political decentralization. In 1970, 30% of local governments was elected. By 1999, that figure had shot up to 86%, a shift largely completed in the late 1980s and early 1990s (Jonathan, 2004). Not only are domestic relations increasingly leaning towards federalism, but federalist arrangements in international relations are also flourishing, as exemplified by the formation and development of the European Union.

In domestic politics, separation of powers is not the same as federalism, or federalism does not simply mean separation of powers. This is a matter of standards for the federal system and federalism. As for federalism, first, federalism is an institutional arrangement of autonomy and shared governance within a unified state. In a federal political entity, basic policies are formulated and implemented through some form of consultation, so that all people can share in the decision making and implementation process of the system.² Second, the nature of autonomy and shared governance means that federalism is not only a structural concept, but also a procedural one.³ That is to say, no matter how the constitution prescribes a country's political system and structure, so long as it is a state of shared governance, both in procedure and in fact, such a state is a state with federalist characteristics. A state is not a federal state if it is structured as a federal state without having procedural guarantee of autonomy or governance sharing. Finally, I believe that autonomy and governance sharing are not only political relations based on the constitution, but also economic relations. Although politics is the concentrated embodiment of economy, in many scenarios, politics and economy are separated and even going in different directions, which is a kind of political centralization and economic decentralization. Under these conditions, the pattern of governance in the economic sphere is crucial to the understanding of central-local relations, adding new variables to the understanding of traditional theories of state structure, and it may further modify or deny the traditional theory of state structure. Therefore, decentralization is an important basis for federalism, when local governments are directly elected by the voters, or when local governments acquire a certain degree of autonomy in local policies and autonomous fiscal power by law; central and local relationships can then evolve into contractual partnerships and bargaining relationships that would fit the aforementioned connotation of federalism. Thus, federalism is in direct proportion to spending, revenues, borrowing, policy and political decentralization (Elazar, 2004: 491).

² The idea of federalism originated in the Bible and describes the partnership between man and God. Semantically, "union" comes from the Latin *foedus*, which, like the Hebrew *Brit*, means contract. In essence, federalism is a kind of alliance partnership agreed by contractual relationship, and it is a kind of special governance power sharing in power relationship. See Elazar, Daniel J. 2004. *联邦主义探索* (Chinese version of the work of *Exploring Federalism*), translated by Peng Liping. Beijing: SDX Joint Publishing Company, 2004, pp. 6–7.

³ I think Elazar's academic contribution in this area is very useful in understanding federal system and federalism (please check). See *idem*, pp. 78–79.

To sum up, the unitary system can no longer accurately reflect the governments of many countries in the process of institutional change. Compared with the federalism theory, unitary system is a declining concept, because it cannot accurately reflect the changing institutional arrangements. In the *Encyclopaedia of Political Science of the Blackville*, the term “unitary system” has been replaced by “centralization system”. But Western political science textbooks still use the concept of “unitary system”, still discuss along with the political relations stipulated by the constitution, still refer to a kind of old-style institutionalism (Roskin et al., 2001), some even distinguish between monoculture and federalism by the number of levels of government, pushing the outdated institutionalism to its extreme (普里森, 2001).

(2) The challenge of the methodology and new methodology to the theory of state structure. Taking words too literally, “state structure” or “form of state structure” is the typical product of the methodology of the old institutionalism. There is no way to know who first came up with the concept, but it was the British scholar Wheare who codified it (Wang Liping, 1996). In 1946, Wheare published the *Federal Government*, which is a comparative study of the American, Canadian, Swiss, and Australian systems of government guided by the constitutional provisions and constitutional political relations. In this way, we see that the theory of state structure really becomes a definite political theory by applying the classical methodology of political science. The core of classicism is the old institutionalism, and the old institutionalism with the study of institutions and polity as its core is also called legalism, of which the methodological characteristic is its focusing on the static description of law, institution and structure, without caring about the realistic function of institution and the problems in the operation of institution. A series of great crises in Western countries in the 1920s and 1930s had dealt a great blow to this method of research because it failed to provide effective solutions to practical problems. Therefore, after the Second World War, a series of new research methods replaced institutionalism as the mainstream research paradigms and made significant progress in the research on federalism.

Unfortunately, most of the studies on the state structure in China’s political and constitutional circles still belong to K. C. Wheare’s old institutionalism, that is, the study of the central and local relations in China is mainly based on the political relations stipulated in the constitution, to describe the law and the system, and to deduce from the changes in the law, adding different modifiers before the “unitary system”. There is no doubt that the form of state structure is regulated by law, so the study of legalism is the premise to clarify the state structure. However, the law is static, and the system in operation may be very different from the static law. This requires us not only to understand the static rules, but also to understand the dynamic political process, especially the political-economic process. In fact, not only the updating of research methods, but more importantly, the institutional change of many countries mentioned above is a real challenge to the theory of state structure.

It must be pointed out that monoculture and federalism are not the ultimate ideological issue, nor are they the purposive rationality of religious ideas, such as right and wrong, good and bad, white and black, but merely a kind of instrumental rationality, an instant, local form of state governance. For example, in the 1920s and

1930s, the Communist Party was the strongest federalist. On January 16, 1946, at the Political Consultative Conference, the delegation of the Communist Party of China put forward the “Draft Program for the Peaceful Building of the State”, proposing “the authority of the central and local governments shall be equalized so as to avoid the need for provincial constitutions,” of which, “provincial constitution” is a typical federalism clause. The Common Platform, adopted in 1949, formally introduced a unitary republic (Chen Mingming, 2005). Thus, whether unitary or federal system, is only a solution to the problem adapted to local conditions (Tong Zhiwei, 1996). After the founding of the People’s Republic of China, the unitary and centralized system was an inevitable choice of history and an effective way of governing the country to overcome the overall social crisis that had developed in China over the past 100 years. But when the cumulative problems of the Soviet style, centrally planned, centralization system pushed the single system to its extreme, the Chinese Communists were again forced to seek a new way of governing, an economic reform that would start with and lead to decentralization. After nearly 30 years of reform and opening-up, the autonomy and sharing of governance in the economic field has become a universal system in China.

The discussion of the above theory provides convenience and possibility for us to re-understand the relationship between the central government and the local governments in the period of economic transition in China. China’s economic reform has been carried out on the premise of political stability. Under the condition of the fixed unchanging political structure, China’s economic relations have undergone revolutionary changes. Therefore, we must carry on with the dual understanding of the central-local relations politically and economically. To talk about China’s central-local relations in general without making such a distinction is bound to lead to cognitive bias.

25.2 Political Monism

Although monoculture is a declining concept and federalism is a rising one, for China in the period of transition, the political-economic pattern embodied by institutional change is more complex, China cannot be characterized simply as a unitary state, much less a federal state. But if we treat politics and economics together, it is easy to see that China is both unitary and federalism.

Perhaps it is because of the dramatic changes brought about by economic reform, perhaps it is because of the new elements brought about by the return of Hong Kong and Macao, perhaps it is because of the provisions of the Constitution on ethnic regional autonomy, some scholars in the fields of political science and law are beginning to be dissatisfied with the single formulation of the traditional Chinese state structure, so they have put forward various new views, for example, the theory of unitary system of democratic centralism (Tong Zhiwei, 1995, 1997), the theory of compound unitary system (Ai Xiaojin, 2001), the theory of mixed system (Yang

Hongshan, 2005), and even the theory of political system of federalism (Elazar, 2004: 53), and so on. In my view, to define the state structure of China in general terms (to borrow the concept of “state structure” for a moment) as a variety of monoculture would only allow one to see the political relations and ignore the importance of economic relations; to define the system as being mixed because of the special characteristics of Hong Kong and Macao would obscure the main character of Chinese politics; and to regard China as a federal system because of the regional ethnic autonomy defined by the Constitution would show that the author Elazar lacks the basic knowledge of Chinese politics, despite his significant contributions to federalism theory.

The first prerequisite for understanding Chinese politics is the premise that the political structure is basically unchanged and revolutionary changes have taken place in China’s economic relations. This common sense requires us to deal with political and economic relations in a dualistic way, although the interaction between the two cannot be ignored. The second premise for understanding Chinese politics, which is the most basic common sense, is that the leadership of the Communist Party and the relationship between the Party and the government are the basic starting points for understanding Chinese politics. This common sense requires us, for examining China’s state structure, not only to understand the provisions of the Constitution, but also to interpret the provisions of the Party Constitution. In connection with the second premise, the third premise for understanding Chinese politics is to understand state structure not only in terms of structure, that is, legal relations, but also in terms of procedure, that is, factual relations. As an example, the Constitution states in one sentence about the leadership of the Communist Party, i.e., “to uphold the leadership of the Communist Party,” whereas in fact the leadership of the Communist Party is reflected in every aspect of political life. In addition, there have always been formal politics and “informal politics” about Chinese politics,⁴ and the informal politics is to some extent to describe the de facto procedural issues.

The above three aspects are the starting point for us to understand the relationship between the central and local governments in China. In the political relations between the central and local governments, Article 3 of the Constitution stipulates that “the state organs of the People’s Republic of China shall implement the principle of democratic centralism”, that is, “one government, two courts” shall be elected by the People’s Congress and shall be responsible to it, and under its supervision, the division of functions and powers between central and local state organs is guided by the principle of giving full play to local initiatives and enthusiasm under the unified leadership of the central government. Article 89 of the Constitution stipulates that one of the functions and powers of the Central Government, i.e. the State Council, is to “give unified leadership to the work of the state executive branch at all local levels throughout the country, and to specify the division of functions and powers between the central government and the state executive branch of provinces, autonomous regions and municipalities directly under the central government”. The above two

⁴ About focused discussions on informal politics in China, see Jonathan Unger, ed., *The Nature of Chinese Politics: From Mao to Jiang*, M. E. Sharpe, Inc., 2002.

articles express the relationship between the People's Congress and the government and the unitary nature of the central and local governments via the "democratic centralism" with Chinese characteristics.

Then how does the Party Constitution provide for party-government relations?⁵ The rule that every party member is familiar with is such a democratic centralism organizational principle that "the lower levels are subordinate to the higher levels and the whole Party is subordinate to the Central Committee." In order to ensure "the whole Party is subordinate to the Central Committee", the Party Constitution and its related documents stipulate the systems and principles for the Party Committee, the Party organization, the management through specialized department and the Party control over the cadres.⁶ These institutional provisions are both *de jure* structures and *de facto* procedures. The Constitution's democratic centralism principles specify the relationship between the People's Congress and the government, and the democratic centralism principles in the Party Constitution specify the factual relationship between the party and the People's Congress and between the Party and the government. In the relations among the Party, the People's Congress and the government, the political relations involved are complicated and various, but the most obvious manifestation of democratic centralism's organizational principles is the system of Party control over cadres.

According to the list of cadres' titles in the Central Administration promulgated by the Central Committee of the Communist Party of China in 1998, all cadres above the vice-provincial level are directly inspected and managed by the Central Committee, and cadres in major local bureau-level posts are put on record with the Central Committee.⁷ It should be said that the cadre title list continues the cadre management system of the 1980s. In 1984, the central government changed the jurisdiction over the management of local cadres from two levels of lower management (provincial, ministerial and bureau level), to one level of lower management, that is, directly administrating the inspection, appointment and removal of cadres at and above the vice-provincial level. As a result, the number of cadres under the direct management of the central government dropped from about 15,000 to about 3,000. Compared with the *List of Cadres' Titles in the Central Administration of the CPC* promulgated in 1990, the authority of the central administration to manage the local cadres is basically unchanged. But in the early 1990s, as the role of local governments as

⁵ In China, the relationship between the Party and the government is the system of leadership between the Party and the state, including the relationship between the Party and the People's Congress, the relationship between the Party and the government, the relationship between the central government and the local government, the relationship between the Party and the army, the relationship between the Party and the mass organizations, and the relationship between the party and the judiciary and so on at all levels. See also Yang, Guangbin. 2003. *中国政府与政治导论* (An Introduction to Government and Politics of China). Beijing: China Renmin University Press, pp. 23–24.

⁶ About the detailed functions of these systems, see Yang, Guangbin. 2003. *中国政府与政治导论* (An Introduction to Government and Politics of China). Beijing: China Renmin University Press, 2003, pp. 24–43.

⁷ See also Chan, Hon S. 2004. "Cadre Personnel Management in China: the Nomenklatura System, 1990-1998", *The China Quarterly*, pp. 703–734.

stakeholders became more prominent, localism became more pronounced, and the events that local people's congresses rejected the candidates recommended by the Central Committee of CPC and elected local candidates as vice-provincial governors did not only happen in one or two provinces, so maintaining and strengthening the authority of the Central Committee became an important issue at that time. The most convenient way to strengthen the authority of the central government is to strengthen the management of local cadres.

In June 1999, the Organization Department of the Communist Party of China Central Committee issued the "Interim Provisions on the Exchange of Leading Party and Government Cadres", implementing the principle of non-locality and the system of regular exchange in the selection of local leaders. The specific requirement for provincial leadership is that it be transferred more frequently to another province or to a central post. The current leadership team is composed of provincial Party secretary and governor who are transferred from other provinces or central ministries, while the deputy posts are mainly from their own provinces. While implementing China's traditional avoidance principle, the central government also has strict control over the term of office of provincial leaders, who have served shorter terms and turnover of cadres has been faster since the late 1990s (Li Cheng, 2002).

In short, since the late 1990s, the central government has greatly strengthened its control over the provincial core cadres of local governments, mainly aiming at curbing localism and sectarianism and strengthening the authority of the central government, in order to maintain political unity and stability. In China's economic transition, the control of local core cadres has become a central constraint on the behavior of local governments and also the core characteristics of political monoculture.

25.3 Economic Federalism

If there is no doubt about political monoculture, "economic federalism" may be a controversial proposition. This is because, despite 40 years of economic reform mainly characterized by decentralization, the power of the central government and the power of planned deployment are still omnipresent in economic life. Outstanding performance is in the following aspects: first, the authority to direct management of land and resources. The first is the State Council's authority to manage the use of land resources as stipulated in the "Land Administration Law". Since 2003, the State Council has abolished many commercial "enclosure" under the name of "economic development zone". Secondly, as regards the mineral resources, the central government controls the direct planning of the allocation of power. For example, 50 million tons of coal are transported from the west to the East every year, with a subsidy of 10 yuan per ton and an income of 500 million yuan, or 14 billion yuan according to the market price. If 50 million tons of coal is used for power generation, the thermal power grid price is 0.23 yuan, and the revenue is 34 billion yuan. Also, because gas is sent from the west to the east, locals are not allowed to use natural gas and the east

has priority (Li Zibin, 2005). Another point relates to the authority to direct management of project investment. The approval of the National Development and Reform Commission is needed to fund large projects and when they are large enough, to avoid duplication, destruction of the ecosystem, or when there is an urgency to get started. For example, the central government has rejected the proposal by a local government to build a dam in Salween River, and local subway projects need to be approved by the National Development and Reform Commission (NDRC). The third point is the use of coercive power in macroeconomic regulation and control. The macroeconomic regulation and control approach of the 1980s was mainly administrative, and since the 1990s it has become increasingly monetary, but it does not rule out the use of more coercive powers than administrative measures. When the monetary policy cannot play an effective role, the central authorities do not hesitate to use coercive powers. Jiangsu “Tieben Event” is the best example (The translator’s note: the case of Jiangsu Tieben Steel Company’s defrauding banks, illegal land requisition and unauthorized construction). The power and authority of the central government in these cases is not that of a typical federalist state.

Although the scope of authority management is an important index to measure the central-local economic relations, the core index system to measure the central-local relations is the financial system. From the “big-pot” finance of unified revenue and expenditure in the era of the planned economy to the “separate kitchen and dining” fiscal responsibility in the 1980s, and then to the tax-sharing system implemented nationwide after 1994, China’s financial system has undergone revolutionary changes. Both the fiscal responsibility system and the tax-sharing system are in the final analysis fiscal decentralization, although the tax-sharing system has greatly increased the central government’s share of national revenue, that is, from about 20% in 1992 to about 50% by now. As some researchers have pointed out, the two most obvious results of fiscal decentralization, especially tax decentralization, are: in the relationship between the central and local governments, the role of the central government in directly managing the economy is reduced, the role of the macroeconomic regulation and control is strengthened, and the role of local governments is strengthened; in the relationship between politics and market, the role of government is weakened and the role of market is strengthened (Yan & Chen, 2003).

It has become a new institutional arrangement that the local governments have changed from agents in the past to stakeholders in the present, the market has changed from an auxiliary role in the past to a leading role in the present, and the theoretical discourse resulting from these or similar institutional arrangements is “fiscal federalism” or even “market-preserving market federalism”, or “economic federalism”. In domestic politics, the separation of powers is not the same as federalism, or federalism does not simply mean separation of powers. However, decentralization is an important basis for federalism, when local governments are directly elected by the electorate, or when local governments acquire a certain degree of autonomy in local policies and fiscal autonomy by law, central and local relationships can evolve into contractual partnerships and bargaining relationships that pertain to federalism. Thus, federalism is directly proportional to fiscal, policy, and political decentralization (Rodden, 2004: 481–500). Therefore, it has been a consensus in the economic circles

of China to describe the central-local economic relationship under the tax-sharing system as fiscal federalism rather than a whim of the economists.

According to a review by the fiscal federalism scholar Thomas Oates, the traditional fiscal federalism theory holds that the central government should assume the functions of macroeconomic stability, poverty alleviation and the provision of national public goods such as national defense. In the context of a highly open economy and the loss of the power to set monetary and exchange rate policies, it is difficult for local governments to use traditional macroeconomic control measures to stabilize the economy, and in the context of the free movement of economic organizations between regions, local governments' redistribution of wealth functions is also severely limited. On the contrary, local governments should assume the function of providing public goods of their jurisdiction, because they have the advantage of being fully aware of the preferences and circumstances of the voters in their jurisdiction. Firstly, local governments have an informational advantage over central governments in understanding the preferences of voters in their jurisdictions and the cost of providing local public goods; secondly, constitutional constraints and political pressures limit the central government to provide higher levels of public goods in some regions than in others, so that only the same level of public goods can be provided in all regions, without taking into account differences between regions (Oates, 1999).

The fiscal federalism analyzes fiscal decentralization in terms of classic economic concepts such as resource allocation. However, if the relationship between the central government and the local authorities is not a purely political and legal relationship, it is also not a purely economic relationship. The allocation of resources has never been a purely economic relationship, political connections and politicians' preferences are critical to resource allocation outcomes, and therefore resource allocation can only be effectively understood from a political economy perspective. On the basis of a comparative study of eighteenth-century Britain, nineteenth-century and early twentieth-century America, and China's central-local relationship during the reform and opening-up period, the representative of rational choice institutionalism, Weingast, proposed "market-preserving federalism", or economic federalism.

In Wingarst's view, the two basic features of traditionally accepted federalism are: (1) the existence of a hierarchy within government and the division of power among governments, no one level of government has absolute monopoly power to make policies and regulations, and at the same time, they enjoy full autonomy in their own spheres of power; (2) the autonomy of each level of government is institutionalized so that federalism constraints can be self-enforcing. The so-called "market-preserving economic federalism" is to add three conditions to the above two conditions: (3) local governments have the main power to manage the economic affairs within their jurisdiction; (4) the formation of a single market has prevented local governments from using their economic management powers to create trade barriers; (5) governments at all levels face hard fiscal budget constraints.

Each of these conditions is indispensable for "market-preserving economic federalism". The first condition clearly defines the essential features of federalism, but this

alone is not sufficient, since it is difficult to sustain federalism solely on the discretion of the highest government—you can always take back the power you have given up. In practice, a major problem with federalism is that the central government may suppress local governments, so to be sustainable federalism must prevent the central government from pressuring local governments, which requires the second condition. But the first two conditions are only about the general variables of federalism, and do not involve jurisdiction over economic issues, so the last three conditions need to be added. The lack of checks on the central government's ability to change, dismantle, or harm federalism greatly weakens its self-sustainability. A viable federal system must address this dilemma. An important way is for both central and local governments to face hard fiscal budgets so that they cannot endlessly exceed them for political purposes, leading to instability in the macroeconomic environment (Weingast, 1995).

When introducing competition among local governments, the economic effects of “economic federalism in maintaining the market” are: first, competition among local governments will make local governments strive to provide a good environment to absorb economic factors; second, hard fiscal budget constraints mean that local governments may go bankrupt and therefore act prudently financially; third, regional competition also means that no single level of government has a monopoly over the formulation of its economic policies; and fourth, regional competition will undoubtedly constrain the economic functions of the powerful central government, but such constraints must be based on institutions, and it is not reliable to rely solely on the constraints of ideas (Qian & Weingast, 1996).

If “fiscal federalism” describes the central-local relationship under fiscal decentralization, then “maintain market-oriented federalism” is undoubtedly the theoretical summary based on the fiscal decentralization after the strengthening of the role of local governments and market mechanisms. However, in the context of China, “federalism” is fundamentally different from the typical form of a federal state and is a practical application of primitive semantics intended to describe the state of autonomy and shared governance enjoyed by local governments in the reform with decentralization as the logical starting point, which is quite different from the agent role of local governments under the past unitary system.

25.4 State Governance Under Dual Structure

The coexistence of political monoculture, i.e., the political centralization, and economic federalism, i.e., the local economic autonomy and sharing of governance, is a typical dualistic structure of political economic relations. For such a structure of centralized political power and decentralized economic power, many scholars often see the problems. There is no doubt that there are problems, but for China in the transition period, the advantages of the dual structure are obvious. Neither a summary of the strengths nor a discussion of the problems can be comprehensive. Here only those topics that are most relevant to the subject matter are chosen for discussion.

(1) The advantages of dual structure in transitional China

In the process of transforming from a planned economy to a market economy, the central government, local governments and market forces are undoubtedly important forces in promoting the market economy, among which the first impetus of institutional innovation should be the resultant force of local governments and market forces (Yang, Guangbin, 2003a). However, different forces represent different interest orientations. If the local governments and the market work together to promote the market economy, it would be difficult to form China's unified market economy and the market order could be in disarray. Therefore, the advantages of the political unitary system in China's economic transition are as follows:

First, it is conducive to maintain the unity of the domestic market and market order. When the local governments changed from being the agents under the planned economy to being the stakeholders under the market economy, the behavior pattern of the local governments also changed greatly, shifting from the focus on central planning to the one that is driven by the realization of local interests. There are both bottom-up pressure from society on employment and social welfare and top-down pressures on economic growth indicators, because the criteria for employing cadres in the cadre management system under the political unitary system are mainly the performance criteria with economic growth as an indicator, thus leading to the GDP doctrine of local government behavior. For example, in the 1980s, there was a "wool war", a "cotton war", a "rice war" and other battles over resources, and in the 1990s, the competition among local governments for preferential policies led to the enclosure movement in the construction of "development zones" and the economic behavior like vassal states in setting up trade barriers, which seriously jeopardized the formation of a unified domestic market, and if developed, could lead to a french-style regional economy of the sixteenth and eighteenth centuries, rather than a unified national economy.

What is embarrassing is that much of the aberrant local behaviour is the result of political-economic structural contradictions, and the rectification of this deformity ultimately depends on the centralized power and authority under the unitary system. Take the "development zone"⁸ as an example. In August 2003, the State Council General Office issued two orders within three days to urgently halt the examination and approval of various development zones, ordering local authorities to clean up various development zones and strengthen the management of construction land. In the same month, a joint inspection team made up of five ministries and departments,

⁸ By the middle of 2003, China had 3,837 development zones of various types, of which only 232 had been approved by the State Council and 1,019 by the provincial level. According to incomplete statistics, the planned area of various types of development zones had reached 36,000 square kilometers, which exceeded the total amount of land available for urban construction, and many places had illegally granted industrial estate supply approval authority, the phenomenon of the industrial park land being used before being granted, illegally occupied and illegally traded was very serious. According to the statistics of 10 provinces and cities, among the 4.581 million mu of park land, 3.146 million mu, or 68.7%, were used without approval according to law. There were as many as 340 national, district and township development zones in Beijing alone. See Zhang Jingjing. 拐点 (inflection point). 新世界出版社 (New World Press), 2005.

including the Ministry of Land and Resources, divided into 10 groups and conducted joint inspection of the rectification of land market order in 31 provinces, autonomous regions and municipalities (Liu Shixin, 2003).

In a market economy, it is not enough to rely only on the monetary policy for macroeconomic regulation and control, the coercive power of the state to maintain a unified domestic market and form a good market order is also needed. The political unitary system, which is characterized by the principle of the Party control over the cadres, is a kind of compulsory power with immediate effect. While there is no need to overstate the political and economic effectiveness of this coercive power, it is clear that it upholds the role of the market; as for how to improve the principle of the party managing cadres as well as the political unitary system with this as the core, it is the issue at another level of discussion. We believe that administrative and even coercive powers will be an indispensable auxiliary tool in the further improvement of market mechanisms and the implementation of macroeconomic regulation and control through legal and economic means in the long term, and the political unitary system will be able to effectively guarantee the economic efficiency of the administrative means.

Second, it concerns the achievement of multi-economic center governance while maintaining regional balanced development. Because of the limited distributable resources, it is a correct strategic choice to let some people and regions get rich first in the initial stage of China's reform and opening-up. Likewise, when the reform and opening-up of 40 years has made China the world's second largest economy, her foreign exchange reserves have exceeded US \$3 trillion, her gross national product has exceeded RMB 50 trillion, her per capita GDP has exceeded US \$7,000, and more and more residents in large cities in the East have been going abroad for sightseeing and tourism, "sharing the fruits of reform and opening-up" is an inevitable development strategy, and the political unitary system can effectively ensure the transfer of this development strategy. The grand government-led strategy of first developing the northwest China and then the north-East is bound to have a corresponding effect on narrowing the East-west and north-south gaps.

But I think, key breakthroughs should also be carried out while maintaining the balanced regional development process, which tends to just cover every aspect like pepper-spraying. In the early stages of the strategic shift, the benefits of central government investment should be felt by most, including all the people in northwest China and the north-East, ensuring the effect of reducing social tensions. However, in the grand strategy of planning in-depth development, we should also carry out key breakthroughs and build a number of regional-based multi-center cities. Economic globalization is also a process of regionalization, and for a giant country like China, regionalization includes not only economic integration with other neighboring countries, but also, in particular, the regionalization of the domestic economy, for example, the Pearl River Delta, Yangtze River Delta, the Beijing, Tianjin and Tangshan regions as the representatives of regional economy. Domestic economic regionalization has been very obvious, a subject which economists have long been making in-depth studies on. I think, only regionalization is not enough, and if there is only regionalization without central cities, such regionalization is a low-level regional concept.

Experience at home and abroad shows that only the existence of a central city can drive the high-level economic development of a region, and the multi-economic centers are not only a symbol of the economic development of a large country, but also the result of balanced development. Therefore, on the basis of regionalization, the pattern of multi-economic center governance should also be realized.

The foundation of the theory of the state as a multi-center economy (the theory of the state is actually a summary of the common experience of development) is that almost all federal countries are multi-centered, and the unitary system is a single-center structure. But China already possesses the institutional characteristics of economic federalism. In a typical unitary state, such as France, there is usually only one center. In Paris, political center, economic center and cultural center are all rolled into one. In a typical federal country like the United States, the basic pattern is one political center, and multiple economic and cultural centers, whose political center is Washington, DC, cultural center is Boston, and financial center is New York, while Chicago in the East, San Francisco and Los Angeles in the west are economic centers. Even in Germany, a federal state with such a size, the political center is Berlin, and the economic centers are Frankfurt, Bonn, Cologne, and so on. There are some differences in China. Even in the era of planned economy, when politics and economy were all single-systems, not only Beijing was considered as the political, economic and cultural center, Shanghai also was an economic and cultural center, for which the basic reason is that Shanghai once had the glory of being “the Paris of the East” and China’s territory area is huge. Today, China’s economy possesses the characteristics of federalism, on the basis of regionalization, building multi-economic centers and sharing governance pattern is not only the inevitable reflection of human experience, but also a realistic need. The sheer size of the country and the sheer size of its population mean that it is not enough just having two economic and cultural centers. In addition to Beijing in north China and Shanghai in East China, there should be at least Guangzhou in south China, Wuhan or Zhengzhou in central China, Xi’an in northwest China, Chongqing in southwest China, Shenyang or Dalian in northEast China. Of course, what we mean by a central city is the concept of a metropolis, such as “Greater Zhengzhou”, which should at least include Kaifeng in the East, Luoyang in the west, Xinxiang in the north and Xuchang in the south, only an hour’s journey from Zhengzhou. The formation of such a multi-center pattern can not only effectively alleviate the pressure on the environment and resources of Beijing and Shanghai as mega-cities, but also realize the balanced development of the national economy as a whole.

(2) Problems in dual structure

(i) The loss of authoritative resources. I have argued that the power to control all resources is not necessarily powerful, because there is the possibility of the loss of authoritative resources and the decentralization of authority (Yang, Guangbin, 2003c). Authority is different from power, the former is a kind of psychological identity and the power of voluntary obedience, and the latter is a coercive force. As the present political unitary system directly comes from the political and economic unitary structure in the planned economy era, it is inevitable that the state’s habitual

behavior is to control as much as possible. The central government, as the representative of the state, does not always exercise direct control and management power, which is usually exercised by its agents, the various executive branches. In addition to the executive branches, there are the world's most popular administrative organs, such as the Ministry of Foreign Affairs and the Ministry of Justice, as well as macro economic control departments, such as the Central Bank and the Ministry of Finance, and there are also directly industry- and product-based economic management departments such as the Ministry of Railways and the Ministry of Information Industry, as well as cross-functional and overlapping law enforcement departments. The executive branches, as the executive organs of policy, also actually have the power of legislation and policy interpretation, while the legal regulations and policies issued by each branch may consciously or unconsciously expand its own power, thus, forming the contradiction among what we usually call "bar relations". Because of the information asymmetry between the principal and the agent, the agent administration uses the authority it has received to extend its authority (Lindblom, 1994: 30). In China, due to the problem of the basis for the establishment of administrative departments, there are not only sector-based departments but also cross-functional and overlapping problems. The administrative departments have strong desire for law enforcement and a stronger legislative impulse; thus, government regulation centered on sectarianism has been formed, and the direct consequence of this phenomenon is to divide or decentralize the policy authority of the central government, leading to the effectiveness of the central government's laws/policies being compromised by an unreasonable "bar relations" (Yang, Guangbin, 2005).

Furthermore, the old "bars" meet the new "blocks", the economic federalism of local government, making the national authoritative resources likely to be further drained. In order to ensure the realization of the national will, the unitary system of China is often a vertical correspondence of various functional departments, and from the central government, the provinces, the cities and finally to the counties, there are corresponding Party and government departments with the same functions one by one. There are three modes of management between the central and local functional departments: those directly under the central administration, such as banks; those with both central and local administration, namely, the central authorities are in charge of business while the local authorities are in charge of Party affairs and personnel; and the local authorities, that is, the various functional departments of local governments. In this way, we can see that in every department there is a phenomenon of multi-management, both in carrying out the orders of the competent department at the next higher level and in carrying out the policies of the government at the same level, while the power of management over each cadre comes from the higher level or the Party committee at the same level. In other words, government departments subject to multiple constraints are likely to implement multiple wills, thus greatly reducing their administrative effectiveness.

To make matters worse, the principle of setting one-to-one corresponding departments at each level of government has the potential for some sectors to become instruments for the protection of local interests when economic federalism greatly strengthens the administrative authority of local governments, thus, the economic

resources which are the basis of state power and even the legal authority of state will are directly dissipated. The judicial system and the environmental protection department are the most typical, and the localism of the judiciary is well known due to the establishment of courts, procuratorates and environmental protection departments at all levels of government. When a company is involved in a debt dispute with a bank, the court often enforces the will of the local government and favors the company, because the company is local and the bank is state owned. When a dispute arises between a local company and non-local company, the court always tends to protect the interests of the local enterprise. Therefore, an important localism in the new era is that local governments encourage local enterprises to “escape from debts”. As a function of the government, the environmental protection department is even less likely to supervise the government’s actions harmful to the environment. We have seen that under the existing institutional arrangements, the law as the will of the state has been weakened to some extent by localism.

(ii) The issue of social justice. In the tide of market economy, different political and economic forces have different value orientation and interest drive. In the current power mechanism, the political-economic subjects we see are mainly the central government, the local governments and the enterprises as the subjects of the micro-market, that is, the market power which maximizes the profit directly, but what about the power of the public? There is no doubt that the central government is the representative of the national interests and public interests, but also the main body that dominates the market economy. Protecting the public interest requires fair policies, while promoting the market requires efficient policies, so the central government needs to choose and balance between fairness and efficiency, which is sometimes a dilemma. Moreover, although the central government is guided by maximizing the interests of the country and the people, the policy maker, not the executive, does not need to face the grassroots and the people; it is the executors and the organs, i.e. the executive branches, acting as agents, and local governments at all levels, who are facing the people. As such, the central government’s policy of protecting the people may be distorted and deformed in its implementation, of which examples are not uncommon.

Why is that? There is no doubt the local governments are people’s governments, which in essence protect the interests of the people. But local governments are also interest subjects, and together with enterprises constitute the “the first action group” of market economy system innovation (Yang Ruilong, 1998). In a sense, like the central government, local governments should protect the interests of the people and carry out institutional innovation to promote the market economy. However, what is fundamentally different from the central government is that, first of all, local governments are only representatives of local interests. If the central government pursues a policy that balances fairness and efficiency, then when faced with the choice between fairness and efficiency, local governments may tend to favor efficiency over fairness. Secondly, the motive factor of this behavior orientation is that local governments which are directly facing the market forces and interests, may in the process of implementing policies and laws, turn the state policies and laws into personal power of the officials due to the condition of imperfect supervision mechanism, thus forming the

rent-seeking power, the collusion of the officials and businessmen, and the improper or even illegal alliance of the officials and businessmen. Civil disorder in rural areas, forced demolitions and eviction in urban areas, coal mine safety issues, and unreasonable pay for workers in developed areas are all related to collusion between government and business or the inaction of local governments.⁹ This phenomenon in China at this stage does not exist in isolation. The general rule of thumb in comparative political development is that in the early stages of a market economy or in an unsound market economy, when market forces expand rapidly, disparity between the rich and the poor and social injustice are exacerbated; as the market economy is a process of survival of the fittest and farmers and workers are vulnerable groups in the market economy, state intervention and protection are particularly necessary.

In China, the central government under the unitary system enjoys enormous power, but under the condition of economic federalism and collusion between government and business, the authority of the central government may be scattered, and fairness policies can be skewed away from reaching the people. We believe that, in addition to the protective legislation of the state, the state should also effectively organize the people to protect their interests legally, otherwise sometimes they can only express their interests in extreme or even illegal forms. But how to organize people? The first option, perhaps a realistic one, would be to reform the current trade union system. The first is the expansion of trade union membership, that is, the expansion of trade union membership to farmers. The second is the reform of the trade union leadership system, as a supervisory mechanism, to implement vertical management, instead of being subordinate to the institutions at all levels, since any law enforcement and supervisory system requires an independent presence in order to function effectively. The second option is to set up a vertically managed farmers' association under the Party and government. No matter what method, it is necessary to carry out institutional innovation, to allow the people to participate in politics legally and orderly, and to establish a channel for the interaction between the central government and the people, establish a balanced interaction mechanism among the central government, local governments, market subject and people to realize the harmonious development of society.

(3) Improving the relationship between the central and local governments in the course of reform

There are at least three aspects of the targeted governance plan: First, further administrative reform to straighten out the "bar relations", which has been a cliché but still has been an unclarified issue.

The second is to change the planned economic institution of going all the way down to the grassroots. Under the condition of market economy, there is no need for

⁹ In many foreign-funded enterprises in Shenzhen, a worker is paid only 2 yuan per hour; in real estate enterprises in large cities, the monthly income of construction workers who work day and night is only 1,000 or 2,000 yuan, and they don't even get paid in the end, which is a total violation of the most basic principles of fairness, leading to a serious gap between the rich and the poor. When workers are disorganized, they need the protection of national legislation or the active intervention of local governments.

local economic management departments, especially at the level of city and county. First of all, this is because the number of state-owned enterprises at the city and county levels has dwindled, and sectors based on industries and products have faded; second, the economy has become increasingly dependent on the state's macroeconomic regulation and control policies. As a result, local government departments have plenty of room to slim down. Unfortunately, due to the influence of traditional thinking, some new systems such as the National Agricultural Development Bank have adopted a going-all-the-way-down approach and have even gotten established at the county level. The going-all-the-way-down approach has not only inflated government institutions, turning many local governments' finances into bread-and-butter finance, but also turned many local functions into *de facto* tools of localism.

The third is to concentrate and delegate moderately. Where delegation is appropriate, then delegate, such as to local administration; where centralization is appropriate, then centralize, such as the judicial and law enforcement system as a means of enforcing the will of the state. Our reform is based on decentralization as the logical starting point, and decentralization runs through the whole process, but in some areas, it is not the more decentralization the better, but the need for centralization. At the time of economic and administrative decentralization, the judicial and law enforcement systems need to be centralized. The administrative power is more local and therefore needs to be delegated, while the law is more national and therefore needs to be centralized. Apart from China, which has a unitary political system, even in the United States, which is typically federal, judicial and law enforcement powers are centralized and more national than local. Because China is strong in administration and weak in legal system, in the current judicial and law enforcement system, the national law is easily manipulated by the local executive power, so it is necessary to restructure China's judicial and law enforcement system. The judicial and environmental enforcement systems should at least be restructured in the same way as the People's Bank system, with reference to the mature experience of other countries.

(4) Local government reform

In cities above the prefecture level, there are *de facto* four levels of administrative organs, namely, the municipal government, the district government, the street office and the residents committee. In addition to the Party's functional departments, People's Congresses, political consultative conferences and mass organizations, there are no less than 70 administrative institutions under the district governments. It is hard to imagine how many local governments can bear such financial pressure, so local finance can only be a bread-and-butter finance. More importantly, should we review the need for so many institutions? What does their existence mean? Another common sense is that local governments are set up because of the vastness and diversity of the region, while in a market economy, there are so many district governments in a city, which is for what? These questions are not worthy of further discussion in this book, but they should be pondered.

(5) Reduce levels of governments

At the level of government in the central-local relationship, the constitution provides for five levels of government: central government, provincial government, municipal government (formerly regional or administrative agency), county government and township government. This setup is not only the need of the planned economy, but also the need of military control in the 1950s. It is an unlimited extension of political power in the process of state construction; therefore, this kind of unique, super-many government levels in the world are in fact the product of the special historical background. Now China has entered the normal period and has already implemented a market economy system, does it still need so many levels of government? The pilot projects in Jiangsu and other provinces should be boldly extended and further deepened, to “strengthen the county with expansion of power,” and eventually dilute or even cancel the prefecture-level municipal government. As we can imagine from the simple list above the municipal establishment, what does the existence of prefecture-level municipal government mean for the operation of the market economy and the finance of the basic level government? In terms of the status of prefecture-level cities, we can refer to the experience in Taiwan Province, and classify economically and strategically important cities such as Taipei and Kaohsiung cities as municipalities directly under the central government, enjoying higher treatment, while transforming most cities into county-level cities. For example, similar to the parallel relationship between Taichung county and Taichung city, most existing Chinese mainland cities can be turned into county-level cities, with city governments governing only the urban areas.

We believe that, while maintaining political and social stability, gradual reform at the levels of government will surely make the relationship between the central government and the local government smoother, the system of government more efficient and cost less, and the interests of the people will thus be better protected.

Chapter 26

Government-Market Relations: The Developmental State as De Facto Democratic Centralism



China's economic reform is initiated by the government, but the reform of the economic system will inevitably bring about changes in political, economic or government-market relations. However, no matter how it changes, the state still plays a dominant role in the economy and life, and the academic circles generally use the term “developmental state” to describe China's state form. In the state-led economic development, the state's autonomy or decisive role does not hinder, or cannot prevent the emergence of economic interest groups as the main interest groups, which have deeply embedded in China's political and economic processes. If the “developmental state” is the equivalent of a centralized state without lacking democratic elements, then the emergence of interest groups as pluralistic subjects is a symbol of economic freedom; so, to say that China's political-market relationship is de facto democratic centralism is not far-fetched.

26.1 “A Strong Developmental State”

At the end of the twentieth century, the developmental state theory became the mainstream theory to explain the experience of rapid economic development in East Asian countries and regions such as Japan, Korea, Taiwan of China, etc. As a result, these countries and regions, especially Japan, were therefore considered as representatives of the developmental state. In his book, *MITI and the Japanese Miracle: The Growth of Industrial Policy 1925–1975*, Chalmers Johnson first put forward and explained the concept of “developmental state” and became the acknowledged founder of the theory (Johnson, 2010). In Chalmers' view, the Japanese model can still be learned, although some of the historical elements of the Japanese experience cannot be replicated. Because the key success factors of this model—a strong desire for development, the priority of economic development, and the way of political and business cooperation—can be achieved by a strong government through careful arrangement. To this end, Chalmers proposed four elements of a developmental state

based on the Japanese model: development oriented bureaucracies, bureaucracies that have ample room to innovate without being constrained by the political systems of interest groups, the way the state intervenes in the economy in accordance with the laws of the market economy, and a steering body for economic development like the Ministry of Economy, Trade and Industry (Johnson, 2010). The developmental state theory emphasizes the priority of the development will and insists that the late-developing countries should intervene with political power to lead the economic prosperity. In the developmental state, where power and wealth often work hand in glove, the developmental state theory never denies the political context and the importance of power to the economy, in which economics reverts to the political economy tradition, and more attention is paid to an organic whole of the actual economic life of human society.

As soon as the concept of “developmental state” was proposed, many political and social scientists responded, and some applied the theory of developmental state to South Korea and Taiwan, which also achieved excellent economic performance after the war. They argue that South Korea and Taiwan share a high degree of economic identity with Japan in terms of private enterprise and government intervention in the market to guide economic development (White & Wade, 1988). The East Asian Financial Crisis of 1998 cast doubt on the developmental state, but its historical existence is not in doubt, nor does it prevent many from applying the developmental state model to the analysis of China’s economic success. Indeed, China is not only a developmental state, but also a “strong developmental state” in terms of the setup and operation mechanism of its government institutions.

(1) The economic sector

In the period of planned economy, the National Planning and Economic Commission was called “Small State Council”, highlighting its position and function. After institutional reform, the National Development and Reform Commission and the many industry departments under its coordination have formed the unique design of economic sector system of China; they adopt the financial instruments commonly used in modern economics and the popular industrial policies of developmental countries, mixed with the management methods left over from the planned economy, and practice the will of the state from the macro to the micro level, promoting the development of a market economy in accordance with what the state considers to be the optimal direction.

We can divide the functions of the National Development and Reform Commission, as an economic navigation department, into two broad categories: one is to formulate development plans and economic policies; the other is to lead and coordinate economic activities and to coordinate economic development.

The advantages of planned rationality are reflected in the full play of state autonomy, which require the planning departments to be independent of short-term narrow interests and formulate coherent economic development plans in line with long-term interests, relying on the accumulation of phased results to achieve the catch-up goal of all-round development. Since the days of the Planning Commission, the National Development and Reform Commission has been tasked with formulating

development strategies, medium- and long-term plans, annual plans, and industrial development policies to provide a clear blueprint for economic development and structural transformation.

Every five years, the National Development and Reform Commission prepares a national development plan that outlines the economic development of the next five years. Such master plans include both the planning outline and closely related recommendations and explanations. In the medium- and long-term planning, the commission predicts development trends, measures planning indicators, proposes basic strategies for national economic and social development, as well as medium- and long-term aggregate balance, targets and policies for structural adjustment, and plans the distribution of productive forces. And then, in accordance with the outline of the five-year plan, the National Development and Reform Commission guides the preparation of medium- and long-term plans of other relevant departments and regions involved in economic and social management, and organizes and coordinates the preparation of special plans and regional plans. The special and regional plans include the key projects for national economic and social development, the planning layout for national urban development, and the specific plans for industrial sectors, targeted to focus on the key areas to make pre-guidance for the development of next five years. It is also responsible for the preparation of cross-sectoral or integrated plans, which are undertaken by a single department or regional governments, and the coordination and interfacing of specific and regional plans.

In addition to setting the rules, the National Development and Reform Commission is also involved in the practice. Economic institutional reform, economic restructuring, major construction projects, productivity distribution, sustainable development and other major macro-issues are all areas under the direct leadership and responsibility of the NDRC. These tasks have a number of common characteristics, which are often beyond the independent sector, government levels, geographical and even space-time areas, with the complexity and continuity of overall impact. For example, the division of regional economy possesses the function of organizing the formulation of regional economic development plans and proposing major policies for regional economic development. These plans and policies are beyond the control of a single region or sector and are often regional, economic and social in multi dimensions. For example, the Division for Industrial Coordination is responsible for the comprehensive analysis of major issues in the development of industry and services, organizing the formulation of comprehensive industrial policies, and studying and proposing comprehensive policy recommendations; coordinating interfacing and balance of the development plan of industry and the service sectors and the plan of national economic and social development; coordinating the popularization and application of major technologies and equipment and the construction of major industrial bases; formulating development strategies and major policies for the service sector in conjunction with relevant parties; and coordinating major issues in the development of the service sector.

Under the National Development and Reform Commission, industry authorities have also been set up in a number of industries. For example, the Ministry of Education is in charge of the education sector, the Ministry of Industry and Information is

in charge of the telecommunications sector, the Ministry of Construction is in charge of the construction sector, the Ministry of Railways is in charge of the railway transport sector, the Ministry of Communications is in charge of the transport sector, the Ministry of Water Resources is in charge of the water and electricity sector, and the Ministry of Agriculture is in charge of agriculture, the Ministry of Health is in charge of health, the Ministry of Culture is in charge of culture, the People's Bank of China is in charge of banking and finance, the Tourism Bureau is in charge of tourism, and the State Electricity Regulatory Commission is in charge of electricity, and so on and so forth.

Some industries, depending on their complexity, involve more than one industry authority. For example, the administrative departments of the emerging gaming industry are the Ministry of Industry and Information Technology, the Ministry of Culture, the General Administration of Press and Publication and the General Administration of Press and Publication as well as National Copyright Bureau. MIIT is mainly responsible for the formulation of industrial development strategies, guidelines and policies, overall planning and laws and regulations, and the implementation of the industry licensing system and supervision. The Ministry of Culture is mainly responsible for the development and management of Internet culture. The General Administration of Press and Publication is responsible for the pre-approval of online publishing of game publications and the registration and management of game software copyright. National Copyright Bureau regulates game copyright in the industry.

The department in charge of an industry manages a complete system, not only in the horizontal, but also in the vertical management of industrial development. In addition to the establishment and deployment in the State Council, for the main industry departments, there are also branches at the provincial, municipal and county levels. For example, the competent department of education is the Ministry of Education at the central level, and there is a Department of Education at the provincial government level and a Bureau of Education at the municipal and county government level, and the competent department of industry and commerce at the central level is the National General Administration for Industry and Commerce, and at the provincial, city and county levels are known as the Administration for Industry and Commerce.

These industry departments directly affect the micro-operation of the industry, from enterprise access to operation and norms, are subject to the control by the competent departments at different levels. This special system of administrative departments in charge of industry has enabled the Chinese government to have a more profound ability of economic management than other developing countries such as Japan and South Korea, no longer to guide but to control the pulse of economic development.

(2) The economic navigation mechanism of the "five-year plan"

In the system of Party and state leadership, the leadership of the Communist Party of China is omnidirectional. Although the Party does not form functional departments to govern directly, it exercises political, ideological and organizational leadership over the government and the society; it does so through the Party's control over cadres, specialized management and leading party groups, a high degree of unity

between the Party and government. Therefore, there is no bureaucracy independent of the political class in the Chinese government. The government has the bureaucratic characteristics of governance. For example, most of its civil servants are selected from the corresponding higher education institutions, with professional knowledge background, superior and subordinate power and responsibility management and daily operation are institutional, bureaucratic and impersonal. There is also political nature of governance (the political nature is the nature of the state as an instrument of ruling class, expressed in terms of the aims, ideologies, ideals, etc. of governance in the interests of the ruling class) because those responsible for public governance are also led by political leadership.

In such cases, if the state wants to govern the economy effectively, her mechanism of intervention must first provide a guarantee of a high degree of coherence between ruling and governing, that is, a consensus on development between the Party and the government. The process of preparing the five-year plan clearly provides a shaping process for this development consensus. Government departments play a key role in the preparation of the five-year plan, but the final text of the five-year plan needs the approval of the highest political leadership.

Usually, the preparation of a national five-year plan begins with government departments and is submitted to the Party Central Committee after initial intentions are established; the Party leadership will unify the political consensus, set the main tone of the five-year plan, and issue the strategic guidelines and plan framework by writing recommendations or opinions. Then, government departments further crystallize and refine the Party's will into a plan outline (usually a first draft, which is adjusted as needed during the planning cycle). The outline of the plan shall be approved by the Party Central Committee and the State Council, and shall finally be formally adopted by the National People's Congress. That is to say, apart from the final decision of the National People's Congress, the preparation of the five-year plan generally went through the two processes of shifting the focus of the will of the "governments and the political party". The first process is to study and determine the basic contents of the five-year plan, the second process is to form a concrete outline of the five-year plan. In this process, the thoughts of the Party and the government are gradually unified, and finally form the consensus of national economic and social development arrangements.

It should be stressed that the background of each planning cycle is different, and the specific number of shifts of the center of gravity in the preparation cycle are not exactly the same, but each shift can find a consistent place in the two processes mentioned above, and this shifting experience is thus consistent with our summary of the programming. As far as the compilation cycle of the first five-year plan is concerned, what is special about the plan is the first five-year plan drawn up by the People's Republic of China. The Party and the government were still trying to figure out how to "plan". On the other hand, this period was the critical period for the massive construction projects supported by the Soviet Union, which constituted the main part of the first five-year plan. Between the initial draft of the government and the tone of the plan set by the Party, there was an extra link for consultation

with the Soviet Union on aid-construction projects, and the draft of the “first five-year plan” was also learning and getting advice from the Soviet Union. For these historical reasons, the preparation cycles of the “first five-year” plan, the number of shifts in the focus of will was relatively numerous. Since the seventh five-year plan, the five-year plan experience has been basically in line with the above-mentioned summary.

It is not enough for the five-year plan to reach the consensus of the political class, but to maintain the high rate of economic growth and provide legitimacy for the state-led model of the developmental state. The five-year plan mechanism will also turn the development consensus into a social consensus. Before the 11th five-year plan, this function was realized through the final approval of the People’s Congress at the institutional level and the high authority of the Party and the government at the non-institutional level; the more mature mechanism of social participation has expanded the effectiveness of democratic input and supervision, and strengthened the people’s approval of development plans.

The preparation of the five-year plan can be predictably, regularly and systematically carried out targeting the social sectors other than the decision-making organs, which is undoubtedly beneficial to the establishment of the rational plan. Since the five-year plan was institutionalized, the degree of democratization of decision-making has gradually deepened, and by the time the 12th five-year plan enters the compilation cycle, the democratization of decision-making has already developed to a considerable degree. In addition to the frequent meetings between the Party and the government on the preparation of the five-year plan, institutionalized operational mechanisms have been established in three forms of democratic consultation, including mid-term assessments, national planning expert committees and public participation systems including hearings.

These systems bring relevant social interest groups into the compilation cycles. On the one hand, they build a good platform for rational planning to be based on social realities. On the other hand, they also provide a transparent channel for the community to monitor bureaucratic autonomy, so that the interests of society can be exempt from the harm brought by the alienation of autonomy. But it is the collective decision-making of the political leadership that ultimately determines the five-year plan. This is because social participants come from different classes and strata, background structure determines the complexity of social views. Their will may be objective, but their impartiality and comprehensiveness are not guaranteed; nonetheless, that is the strength of the state. This combination of democracy and centralism provides an institutional basis for China’s state autonomy (at least in the formulation of development plans) to remain rational.

Although the five-year plan is a phased long-term development plan, every two to three five-year plans are coordinated with a longer-term vision, so that the economic development of the existing phased objectives leads to a unified vision, which maximizes the cumulative effect of development and ensures the stability of development. However, the implementation of the five-year plan does not mean strict adherence to a single text of the plan throughout the plan cycle; rather, the five-year plan as a development strategy should be flexible.

First, each of the annual plans under the five-year plan is prepared on the basis of the economic development situation of the previous year, gradually adjusting the possible inappropriate layout. Second, at the halfway point of the five-year plan's planning cycle, the government hosts a mid-term review of the plan. The mid-term assessment includes both a self-examination by the planning authority and an independent assessment by a third party from the society. If the five-year plan is found to be unreasonable, the state will take the initiative to correct it. These mechanisms give life to the five-year plan.

The five-year plan has also gone through a transformation from an mandatory plan to a guiding plan in the whole process of modernization, to market economy of the coexistence of multiple economies. The 6th five-year plan is the turning point of the above-mentioned reform. The previous five-year plans are quite different from the other eight five-year plans in terms of formulation, content and nature. The deep-seated reason for the change of the nature of the plan is the change of the relationship between the state and the economy, the change of the government function, and the change of the decision-making mechanism of the five-year plan.

26.2 The Emergence of Economic Interest Groups

The economic interest group is the inevitable product of the market economy, which is unavoidable for any country. "If interest groups can be explained, then everything can be explained," said Bentley, founder of the theory of political process in the early twentieth century (Qian Zhongfeng, 1989: 13). Although interest groups in China have not yet reached the level for understanding of all political phenomena, they have become an important variable in China's political process. At the height of political reform in the 1980s, "interest groups" were frequently mentioned in official Chinese documents and the media.¹ By the 1990s, for well-known reasons, political reform stalled and the term "interest groups" once again disappeared from official public opinion and was replaced by "interest crowds". However, after the Sixth Plenary Session of the Sixteenth Central Committee of the Communist Party of China in October 2006, when Hu Jintao and Wen Jiabao proposed building a harmonious socialist society, they proposed that the emergence of "vested interest groups" must be prevented, and "interest groups" appear again in official documents. Accordingly, an article on "interest groups" in October 2006 by the official authoritative Xinhua News Agency's *Outlook Weekly* (newsweek), attracted wide attention. "Special interest groups" became the object of criticism in almost all the Chinese media, and it was

¹ In 1988, in a report on the work of the Second Plenary Session of the 13th Central Committee of the Communist Party of China, the Central Committee for the first time acknowledged the existence of different interest groups in Chinese society: "Under the socialist system, contradictions still exist among different interest groups among the people." To this end, in an article in the *People's Daily*, Zheng Bijian, a leading theoretical authority of the Party, analyzed the adjustment of interest relations and the issue of interest groups brought about by the change of economic structure (大变动, 再认识 [Big Change, Recognition], *People's Daily*, May 20, 1988).

believed that the prominent social injustice in China in recent years was directly related to “special interest groups”. Although official documents point to the need to prevent “vested interest groups”, in fact, the emergence and role of “interest groups” in Chinese politics has become common. Comrade Xi Jinping frankly pointed out that the Communist Party does not have its own special interests, and there cannot be various interest groups within the Party, nor can there be political interest groups within the Party colluding with others outside the Party and trading power and money, and CPC Central Committee’s unswerving opposition to corruption is to prevent and eliminate the influence of such illegal interests on the political life of the Party (习近平, 2015b). Obviously, there are various informal interest groups within the Party whose harmfulness is hard to measure, such as the Zhou Yongkang case and the Ling Jihua case. However, as a main body of economic interests, the interest groups inevitably appear with the formation of market economy, which is the inevitable result of the change of social structure brought about by the change of economic system.

The interest group is simply defined as a social organization organized for specific interests. In most countries, interest groups mainly refer to corporate interest groups, that is, professional organizations established for the expression of interests, such as various “associations”. Other types of interest groups include institutional interest groups and non-corporate interest groups.² The American political scientists study American policy process more from the perspective of department politics or bureaucracy than that of interest groups, although they regard bureaucracy as an interest group. The development of Chinese society determines that we cannot simply use the existing types and standards of interest groups to examine interest groups in China, except for “industries” and “specific interests”; another key word for understanding Chinese interest groups is “official-business relations”. Many of China’s industry authorities other than the Western government departments have more sector interests and industry interests, which is in fact a typical industry-type interest groups. Under this kind of system arrangement, the special industry, that is, the company with the special official-business relation, is the organizational form of the interest group, and its role in the political process is even greater than that of the corporate interest group. Compared with the interest groups in Western countries, the interest groups in China have more policy implementation functions and less active interest expression, and the unorganized interest groups are more active. To this end, based on the organizational situation of China’s interest groups and their role in the political and economic process, we classify interest groups in China as: institutional interest group, enterprise interest group, corporate interest group and unorganized interest

² From the perspective of organizational form, in normal politics, the interest groups in American political science are classified as: (1) institutional interest groups, such as bureaucracy, legislature, army, political party, church and company; (2) corporate interest groups; (3) non-communal interest groups that are based on a common race, language, religion and occupation but are not organized (For details, see Almond and Powell. 1987. [Chinese version of *Comparative Politics. System, Process, and Politics*], translated by Li Peilin and others. Shanghai: Shanghai Translation Publishing House, pp. 202–207).

group. The first two groups that are closely related to politics and the market are discussed here.

A. Institutional interest group

Government departments, as representatives of the state, are supposed to be representatives of the public interest. However, the study of public choice theory shows that government bureaucracy and officials are not necessarily “moral persons” who are just and selfless, but “economic persons” who seek to maximize their own interests. Accordingly, Western scholars and some domestic scholars regard government bureaucracy as an interest group, which plays the role of interest expression and integration.³ We do not agree with this classification. We cannot call an integral part of the establishment of state power an interest group because there are sectionalism and sectoral interests at any time and place. Since interest groups refer specifically to political and social forces outside the state authority, if the groups with organizational interests are classified as interest groups, interest groups become the concept that explains all political phenomena, classic concepts such as “state power” will lose their value. Nevertheless, the organic component of state power will need to be defined further in the system of market economy. In general, the government departments (such as the Ministry of Justice, the Ministry of Foreign Affairs, the Ministry of Civil Affairs, the Ministry of Culture, the Ministry of Education, etc.) and the macro-economic control departments (such as the central bank, the Ministry of Finance, the National Development and Reform Commission, the State-Owned Assets Supervision and Administration Commission, etc.) that maintain the normal operation of the country are necessary for any country, they cannot be called interest groups because they may have sectoral interests. However, at present, China’s government departments still have the characteristics of a planned economy. For example, among the administrative departments under the State Council, there are various competent departments based on industries and products, such as the Ministry of Information Industry, which is in charge of the postal and information industries, and the National Railway Administration, which is in charge of the railway industry. Generally speaking, the central ministries should be the executors of the central

³ The Japanese scholar Qian Zhongfeng thinks that in the group theory, besides the interest group, the office organization, the army and the political party also constitute a kind of process as the pressure group ([Japanese] Qian Zhongfeng. 利益集团 [Interest Groups], translated by Hao Yuzhen. Beijing: The Economic Daily Press, 1989, p. 40). Some Western scholars, when discussing Chinese politics, regard Chinese military as an interest group, and analyze its role and influence in China’s foreign policy-making process. See Harry Harding, “The PLA as a Political Interest Group”, in Victor Falkenheim (ed.), *Chinese Politics from Mao to Deng*, New York: Paragon House, 1987; You Ji. “The People’s Liberation Army as a Key Interest Group in Chinese Party Politics”, in *The Chinese Communist Party in Reform*, edited by Kjelk E. Brodsgaard and Zheng Yongnian. Routledge, 2006; Zhongwei, Song, “The Structural Influence of The Military in China’s Foreign Policy-Making”, *Asian Studies Review*. Vol. 24, No. 1, Mar., 2000, pp. 71–98. Mao Shoulong, a Chinese scholar, also thinks, “If left unchecked, state organs such as the army, armed police and public security may become interest groups” (关于当今中国的利益集团问题——毛寿龙教授访谈录 [On the Issue of Interest Groups in China Today: An Interview with Professor Mao Shoulong], <http://www.360doc.com/content/06/0116/14/231159152.shtml>).

government's policies, keeping themselves politically neutral and striving only for the efficiency of policy implementation. But in today's China, because the central decision-making mechanism is not sound, on many occasions, it was found that the ministries made the decisions which were endorsed by central government; therefore to a large extent, the central government ministries have become the decision-making departments of the central policy. This enables them to put their "sectoral interests" above the public interests and even the national interest; they are often referred to as "special interest groups" (杨军, 2006). Not only that, due to the crisscross nature of the industry and products, the establishment of competent departments for specific industries and products will inevitably lead to overlapping departments and overlapping functions and conflicts of interest. In the field of culture, for example, the top administrative department is the Central Publicity Department of the Communist Party of China, and in the State Council are the Ministry of Culture, the State Administration of Radio, Film, and Television, the General Administration of Press and Publication (which was transferred to the Central Propaganda Department after the 19th National Congress of the Communist Party of China) and the State Administration of Cultural Heritage. In the field of transport, there is Ministry of Transport that is in charge of water and land transport, and there is Ministry of Water Resources that is in charge of water resources and have no authority over water transport. In the field of water pollution, both the Ministry of Ecological Protection and the Ministry of Water Resources are in charge and are fighting for control (People's Web, 2007). The administrative levels of these departments are the same, while the functions and interests crisscross each other and conflicts of interest are common. In today's market economy, these industry authorities can easily evolve into spokespersons for the industry or product, and conflicts of interest can lead to contradictions between agencies.

We therefore refer specifically to the so-called economic authorities based on products and industries as institutional interest groups. In the process of economic transition, there were rationality and necessity of the times for the existence of some sectors, for example, the Ministry of Information Industry was set up to speed up the development of the information industry. Some of them were not reformed because the country did not have enough resources to solve so many sectoral political problems at the same time. In 1998, then Prime Minister Zhu Rongji, who abruptly abolished 13 ministries, said the reforms were transitional, insufficient, and needed to reform further. Under the basic establishment of the market economy system, some departments have completed their historical mission, and some have become the obstruction force of the market economy, representing special industries and interests. From this point of view, it can be said that some government authorities are the most powerful interest groups. In the absence of external competition, external constraints, and the lack of internal consciousness, some government departments will have a very strong incentive to maximize, legalize, nationalize and even internationalize their own interests (Jiang Yong, 2006). Policy makers are well aware of this phenomenon, therefore, after the 19th National Congress of the Communist Party of China (CPC), the government institutions were Substantially reformed.

B. Enterprise interest group

In China, many companies are interest groups, or at least act as interest groups. Keywords such as “industry”, “specific interests” and “official business relations” mean that the vast majority of companies cannot be classified as interest groups, and there are two main types of companies that can be considered interest groups:

The first is the monopoly industries of large state owned companies, such as the National Petroleum Corporation in the oil industry, the China Petrochemical Corporation and the China National Offshore Oil Corporation, the China Telecom, China Mobile and China Unicom in the telecommunications industry, the State Grid Corporation of the power industry and several power generation companies, the China Post Corporation of the postal industry, the China Natural Gas Corporation of the gas industry, and so on, so forth. The industrial monopoly in many other countries is a kind of natural monopoly and anti-monopoly is carried out with state intervention. However, in China, industry monopoly is actually a kind of administrative monopoly, behind the monopoly companies are administrative departments, so it is the administrative power that protects the monopoly interests of monopoly industries. Under these conditions, the monopoly companies themselves are huge interest groups, and they do not need to be organized in the form of civil interest groups or “associations” because their influence on the government is more direct and effective than “associations”.

Second is the profiteering industry companies. In China, the profiteering industry specifically referred to the real estate industry and the mining industry before 2010. Property rights in these industries are diversified, both state-owned and privately owned. Many enterprises cannot operate without the protection of power, thus forming the interest group of government and business integration in many places. Compared with monopoly industries, the profiteering industry interest groups are larger in number, more covert in form, but are open secrets, and they are both legal and illegal in the way they influence policies.

26.3 The Interest Politics in the Policy Process

In the political process of China, there are obvious differences among different interest groups in their roles, action resources and strategies, and influence in the concrete public political process, and “the influence of interest groups on the formulation and implementation of public policy is significantly different according to their different organizational resources” (Howlett & Lameshe, 2005: 100); participation in the political process is not a neutral issue either: whoever is involved in a policy issue can influence the framing of the policy issue (Colebatch, 2005). Therefore, it is not possible to generalize. There is a need to analyze specifically whether interest groups influence decision-making or legislation, which interest groups are involved in the political process, how they are involved in the political process, who is involved in the political process within an interest group, how is he/she involved, and who is heard.

“The most effective starting point for gathering information on these issues is to look at how interest groups are involved in setting public policy and how they influence its implementation” (Bevir, 2007: 465). Interest groups maintain daily contact with the government, what is the nature of this relationship (Hague & Harrop, 2007: 251), all these are the core issues in interest group research.

First, institutional interest groups in the political process. Institutional interest groups have natural advantages in terms of organizational system, resources and power, and at the same time, they are decision-makers of policies and play a decisive role in policy issues, agendas and decisions, even, in most cases, the monopolist of the political process. Therefore, such interest groups enjoy the greatest influence on China’s policy formulation, implementation and feedback as well as the value orientation of the policy. In our view, some institutional interest groups based on government departments, industries and products use statutory state power to distort public policy.

The first is to make the interests of the sector nationalized and institutionalized. Although they are economic authorities based on industries and products, they are, after all, organs of state power. One of the laws of bureaucracy is that every department expands its power on the basis of the authority it has received, especially the industry authorities, who often realize departmental interests in the name of the “national interest”, and institutionalize departmental interests. In China, one of the channels for upgrading departmental interests to national interests is the trade newspaper. Each ministry has its own organ newspaper, and the trade newspaper is a powerful advocate of departmental interests.⁴ One of the channels to institutionalize departmental interests is the legislative power of the executive branch. The phenomenon of using laws and regulations to consolidate and seek departmental interests widely exists in the central organs. Such as legalization of departmental interests through “statutory authority”, “statutory conduct” and “statutory procedure”. Due to the legislature’s own factors, the draft laws considered by the People’s Congress are often drafted by government departments. In this way, some government departments take advantage of policy resources, and when formulating relevant draft laws, they do everything possible to strive for the power and interests of the departments, and uses the laws to consolidate the departmental interests and gain the power of law enforcement, then obtain the power for the setup of corresponding organization and the power of finance. Seventy-five to 85% of the laws passed by the National People’s Congress have been submitted by the relevant departments of the State Council. In addition, a large number of administrative regulations and departmental rules enacted by the administrative departments are also legally binding (Yang Jun, 2006). In this way, through the legislative process, these institutional interest groups will legalize their own interests, and then institutionalize departmental interests. Because many laws and regulations are drafted by ministries, and then passed by the National People’s

⁴ During the negotiations for China’s accession to the WTO, newspapers in different industries possessed different attitudes towards WTO accession. Whenever the negotiations for WTO accession made a little progress, anti-accession ministries used their newspapers to attack Chinese negotiators, even calling them “traitors”.

Congress, and in many cases, passed almost as a formality, the ministries responsible for drafting them have a great deal of autonomy over their content.

The second is to impede fair competition. The administrative organ based on the industries naturally have to protect the monopoly interests of its subordinate, exclude others to enter and obstruct the fair competition. The anti-monopoly law, known as the “Economic Constitution”, took 13 years to enact. In June 2006, the State Council submitted to the Standing Committee of the National People’s Congress the “Anti-Monopoly Law (draft)”, which stipulates in Article 2: “Where there are other provisions in the relevant laws and administrative regulations concerning monopoly acts provided for in this law, such provisions shall apply.” Article 44 of the draft stipulates: “In the case of monopolistic acts provided for in this law, the provisions of relevant laws and administrative regulations shall be investigated and dealt with by the relevant departments or supervisory organs, in accordance with such provisions.” This means that the status of the “Economic Constitution” is lower than that of the administrative regulations, anti-monopoly administrative law enforcement agencies are lower in rank than other administrative law enforcement agencies. If such a law were enacted, the anti-monopoly law would still protect monopolies. From the “Economic Constitution” to the general industry legislation process, the interest group nature of the competent departments of industry is manifested everywhere.

Another point is enterprise interest groups in the political process. The state-owned monopoly companies as enterprise interest groups form the policy which is beneficial to itself mainly through influencing the government department in charge or the supervision department. Such as “state-owned monopoly enterprises in finance (four big banks, one big insurance), energy (electricity, oil), post and telecommunications (post, telecommunications), transportation (railway, civil aviation), infrastructure and other fields, have long relied on administrative monopoly, enjoy a strong game ability. In order to maintain their leading position and keep their monopoly profits, some monopoly enterprises recruit spokesmen in the political, academic and media circles, influencing and even manipulating the right of discourse, defending their monopoly status, and vigorously excluding industrial competition and the involvement of the private economy, to resist the introduction of anti-monopoly law and other laws and policies that are disadvantageous to them, or to claim exemption from relevant laws and policies on the grounds of special circumstances in the industry (such as natural monopoly, national security, making money for the government, etc.) in order to maintain the monopoly” (Jiang Yong, 2006). In addition, they take advantage of strong economic resources and political advantages to form larger interest groups. For example, the China Group Corporation Promotion Association (CGCPC) was initiated in 1987 by the heads of several large state-owned enterprises, including Baosteel, First Automobile Works and Dongfeng Motor Factory. Its members are large state-owned enterprises. In addition to helping to solve the problems encountered in the process of institutional transformation of the member enterprises, the CGCPC, on behalf of its member enterprises, also reflects to the government the opinions and requirements of these large enterprises, and to organize relevant policy research to influence decision-making bodies. Every year since the 1990s, CGCPC invite experts, business representatives and relevant government departments to conduct

research on important policies or issues, and then make the research reports available to government decision-making bodies. From 1998 to 2000, CCPIT submitted 16 special reports, seven of which were given written instructions by the premier and vice-premiers of the State Council. The CGCPC case shows that some voluntary associations provide channels for decentralized economic entities to express and synthesize interests, and even influence decision-making. It shows that when the power of interest groups reaches a certain weight, and their interests expressed in the form of autonomous groups, it will have a greater impact (Ma Qiusha, 2007).

At the same time, profiteering companies in industries such as mining and land development, which have special government-business relationships, are playing a role in the political process in both legal and illegal ways: (1) Before 2010, due to China's continued rapid economic growth, there was a shortage of energy, the mining industry, represented by the coal mining industry, was flourishing, and coal production safety became an issue that attracted worldwide attention. The central government seemed to be unable to do anything about it. The key reason was that local officials, especially those at the county and township levels, were directly involved, and the result was a game between the central government and the government-business alliance, which often caused the central government to struggle to cope. (2) If the government-business alliance formed in coal production is illegal, the government-business alliance formed in land development is both legal and illegal. Land development has become an important source of local government revenue. A survey in Zhejiang Province shows that if the revenue from land acquisition is 100%, the distribution ratio among stakeholders is: 20–30% for local governments, 40–50% for developers, 25–30% for village organizations and 5–10% for farmers (Ru Xin et al., 2004: 6). Government taxes and fees account for 50% of house prices, real estate profits for more than 25%, and property developers are financed by bank loans. Such high expected returns and near-zero costs have driven local governments and developers into alliances that have kept housing prices high.⁵ The typical operation procedure of the government-business alliance is: “Local government land project establishment—introduction of foreign investors—completion of land grant procedures—coerce investors to agree to split the profits, or kick them out if they refuse to comply—introduction of new associated agents developers—agents to develop residential profits—officials and special interest groups to share the spoils” (Chen Zhongxiaolu, 2007).

Powerful corporate interest groups not only use all kinds of resources to import their preferences and interests into the political process and influence the direction of policy decisions, but also try to adopt selective obedience when they become policy objectives, that is, they support policies that are good for them, and they resist or even secretly change policies that are bad for them. Because “the political and economic resources controlled by the target group can also influence the implementation of

⁵ According to a report in the China Economic Times on June 28, 2007, of the 415 people nationwide who broke or were suspected of breaking the law or discipline in the field of construction in 2006, 68% were working in the departments in charge of construction and those with managerial functions.

policies. Powerful groups affected by policies can support or oppose the implementation of policies in accordance with their own will” (Howlett & Lameshe, 2005: 100). For example, real estate developers cannot only use illegal means to achieve the development of specific projects, but also have the ability to use legal means to form a favorable industrial policy, promoting the State Council to recognize the real estate industry as a “pillar industry of the national economy”, so as to offset the unfavorable industrial policies (Li Shuguang, 2006). The State Council’s document at least provides policy support for the land development policies of local governments, and even objectively provides a legitimate excuse for the government-business alliance.

In short, people do not like the violent power of the state and demand democracy, but in economic life, especially in the market system, democracy is always a luxury, because the main body of the market is composed of enterprises and interest groups formed on the basis of the enterprise identity, and enterprises like freedom, and freedom is the “democracy” of enterprises as the main body, which makes us have to face it with a realistic attitude, instead of idealizing it. As for the issue of democracy within the enterprise, that is no longer the subject of the government-market relation. Until now, it has been impossible to impose democracy in the private sector except in the state sector, where the private sector can vote with its feet, walk away at any time to avoid what they see as unbearable costs. Democracy, especially social democracy, is the goal we pursue, but economic democracy must be viewed with realistic prudence.

26.4 On the Relationship Between Capital Power and State Power

The market economy inevitably produces various economic interest groups, but this does not necessarily mean that interest groups should dominate the political process and kidnap the state power, and the extent to which interest groups play a role in political life is an important index to distinguish capitalist politics from socialist politics.

In capitalist countries, the logic of political development is: market economy—social differentiation—multi-party system based on interest groups—indirect democracy—factual oligarchy. That is to say, after the social differentiation caused by the market economy, it is inevitable that the capital power is “detached” from the whole society and overrides the society; the ascendancy of capital power inevitably led to the emergence of political systems that reflected its interests, namely the multi-party system and the indirect democracy; as a result, the indirect democracy was effectively controlled by an oligarchy, forming a *de facto* oligarchic democracy.

In a socialist country like China, the logic of its political development is: market economy—social differentiation—party leadership—democratic centralism—people’s subjectivity. The difference occurs in the third link, that is,

although there is capital power in social differentiation, the capital power obeys the leadership of the Party, and the Party integrates the interests of the whole society, which is completed through democratic centralism, and finally realizes the political subjectivity of the people.

With the development of market economy and the deepening of social differentiation, capital power will be more and more powerful, how will this affect political life? This is a question that is always worthy of deep thought and vigilance. In fact, the Fourth Plenary Session of the 16th Central Committee of the Communist Party of China in 2004 recognized this problem: "It is not easy for a proletarian party to seize power, and it is even more difficult for it to hold power well, especially for a long time. The party's position in power is neither innate nor once and for all. We must be alert to dangers in times of peace, strengthen our sense of hardship, draw lessons from the successes and failures of some ruling parties around the world, strengthen governance capacity-building more consciously, and maintain good governance and power for the people" (CPC, 2004). The Fourth Plenary Session of the 17th Central Committee of the Communist Party of China held that "all members of the Party must bear in mind that neither the Party's progressiveness nor its ruling position is set in stone once and for all, that past progressiveness does not mean present progressiveness, that present progressiveness does not mean permanent progressiveness, that past possession does not mean present possession, and that present possession does not mean permanent possession" (CPC, 2009). Actually, it is a worry about the Party's ruling ability after the profound change of social structure, the fundamental adjustment of interest structure and the fundamental change of people's concepts.

As mentioned above, the difference between capitalist politics and socialist politics occurs in the third link. The former is dominated by capital power, while the latter is led by the Communist Party, so how to maintain the Party's leadership in a market economy, is a fundamental problem. It can be said that if the Party loses its leadership, China and the United States will be no different and the "end of history" will become a reality. It was because of this potential danger that the 18th National Congress of the Communist Party of China made an unprecedented effort to combat corruption and guard against the emergence of various interest groups within the Party.

Whether the state power dominates the capital power, or whether the state power is kidnapped by the capital power, or even whether the capital power dominates the state power, is the fundamental difference between the two political systems. Chinese history has always been ruled by the Confucian humanistic group, which absolutely does not allow the capital power to get its hands on the state power. In a sense, the Communist Party of China is similar to the Confucian ruling clique, which not only adheres to the Marxist thought of the people as the main body, but also adheres to the Confucian thought of the people as the foundation, thus more justly coordinating the interests of all parties, not above the rest of society. However, this "tradition" and institutional arrangement are likely to be challenged when the power of capital is brought about by the market economy. Therefore, the Chinese Communist Party should always have a sense of crisis that "past possession does not mean present possession, and that present possession does not mean permanent possession."

Chapter 27

State-Society Relations: Corporatism as De Facto Democratic Centralism



Because of the lack of the academic concepts of Chinese social science, Chinese politics has become the object of explanation and the experimental field of Western social science, the most typical of which is the study of the relationship between Chinese state and society. One of the more commonly used concepts from abroad is “the state corporatism”, a concept that explains Southern Europe and South America and is now being used to explain Chinese politics (Dickson 2000–2001). For Chinese politics, “corporatism” is not a good concept because it is an inherent European culture or tradition, and Chinese civilization is not genetically related to such an independent social organization, but the patriarchal clan politics of the family ethics standard. So, what is state corporatism? In the view of Philippe Schmitter, who revived the concept, because corporatism comes from the Catholic cultural tradition, it is not something that emerges at will; it refers to the integration of social organizations representing the interests of different sectors into the decision-making process of the state on the premise of supporting class cooperation and national unity; these social organizations are limited in number, industry-representative and therefore monopolistic and non-competitive, and are recognized by the state which controls or directs their organizational structure and expression of interests (Schmitter, 1979). The domestic academic circles use this concept to refer to the state-society relationship since the reform and opening-up. We believe that the size and complexity of China are beyond the scope of a single academic concept. On the one hand, we do have trade associations that can only be set up with the approval of the central government. Their relationship with the state is equivalent to state corporatism. But at the same time there are also a large number of autonomous social organizations. In Britain and the United States, the latter is equivalent to the so-called social corporatism, i.e., cooperation and contest among independent social organizations not controlled by the State. However, in China, even the self-governing social organizations, because of the civilization gene, whose relationship with the state or government is hardly the same as that of Britain and the United States. Even if it is taken literally, China has both Continental Europe’s state corporatism and Anglo-American social corporatism, isn’t this the democratic centralism with both concentration and freedom and

democracy? Thus, if the relations between the state and society before the reform and opening-up were typically centralized, the relations between the state and society in the past few decades were typically democratic centralism.

Traditionally, “people’s mass organizations”, such as the Communist Youth League, the Women’s Federation, the Trade Union, the Federation of Industry and Commerce, and the Association for Science and Technology, were part of the political establishment, and part of the power of the state, what Lenin called the Party’s “conveyor belt” for connecting the masses, firmly carrying out the policies of the Party and the state. Therefore, we cannot simply call these de facto political organizations “social organizations”, but, with the deepening of marketization, some traditional “people’s mass organizations” have to dilute their identity as political organizations, and some “people’s mass organizations”, such as Writers’ Associations and Literary Federations, have had to take the market-oriented route in order to attract more members. As for trade associations, they also existed in the era of the planned economy, such as the China Council for the Promotion of Foreign Trade (CCPIT) and the Chinese People’s Association for Friendship with Foreign Countries (CPAFFC). The newly emerging industry organizations are formed by reorganization from the government. For example, the China Iron and Steel Association from the Ministry of Metallurgy, many associations from the Ministry of Machinery Industry, such as the China Automobile Industry Association, and the China Coal Construction Association from the Ministry of Coal, the Ministry of Oil went straight into the three major oil companies. These trade associations or “companies”, which are extricated from government departments, belong to what we call enterprise interest groups and are an important part of political and economic relations, as discussed above, and to a large extent, they are still performing certain government functions, directly affecting the direction of central policy.

27.1 Corporate Interest Group and Unorganized Interest Group

Since the reform and opening-up, due to the changes in the economic and social structures and the need for state governance, the Party and the state have gradually and cautiously withdrawn from some previously tightly controlled areas and handed them over to civil society for self-government, as well as allowing groups of like-minded people to form associations. According to the official website of the Ministry of Civil Affairs, by the end of 2015, there were 662,000 social organizations nationwide, employing 7.348 million people from all walks of life; there were 329,000 social associations nationwide, including 37,000 in the industrial, commercial and service sectors, 17,000 in scientific and technological research, 10,000 in education, 10,000 in health care, 48,000 in social service, 33,000 in culture, 23,000 in sports, 7,000 in ecological and environmental protection, 3,000 in law, and 5,000 in religion, 62,000 in agricultural and rural development, 21,000 in the occupational and

employment, and 53,000 in the other categories. In addition, there are 4,784 foundations of various types in China, of which 1,548 are public-raising foundations and 3,198 are non-public-raising foundations; 202 are registered by the Ministry of Civil Affairs, 9 are foreign-related foundations and 29 are representative organizations of foreign-related foundations. Public and non-public foundations received a total of 43.93 billion yuan in donations from various sectors. There are 329,000 private non-enterprise organizations in China, of which 16,000 are in scientific and technological service, 433 in ecological environment protection, 183,000 in education, 24,000 in health care, 49,000 in social service, 17,000 in culture, and 14,000 in sports, 3,355 in business service, 114 in religion, 7 in international and other foreign-related categories, and 19,000 others (Ministry of Civil Affairs of the PRC, 2016). These are only the civil society organizations officially registered with the Ministry of Civil Affairs; besides, there are also unregistered NGOs that cannot be counted accurately. Although a significant proportion of these civil society groups are not typically political interest groups, many of them also have varying degrees of role in the relevant policy decision-making process. That is to say, many national associations are not as important in the political process as the corporate interest groups in the Western context, but in some areas, the role of local civil society in local governance cannot be ignored. These organizations can be classified as corporate interest groups.

At the same time when the development of corporate interest groups is mushrooming, the unorganized interest group is a kind of social phenomenon that cannot be ignored. In the study of interest groups, we should not only study the organized interest groups, but also pay attention to those subjects who are not organized to express (subjective or objective) interest needs. Why haven't they organized as organized interest groups? This issue is of considerable importance to the current political process in China. About the unorganized potential interest groups, it is more appropriate to call them interest crowds rather than interest groups in terms of the degree of organization. But the key point is that such interest groups are not characterized by the organization of their interest claims, but by the fact that they influence the political process in China by their actual actions, which is why such crowds or groups are important, therefore, we cannot exclude them from the study of Chinese interest groups.

Generally speaking, non-organized interest groups exist in two forms: One is the unorganized interest group based on political power or economic resources, which is mainly shown as the group interest alliance formed by the collusion of government and business. It overlaps with the corporate interest group and the institutional interest group, but what is emphasized here is the non-organizational, non-institutionalized and deinstitutionalized aspects of the integration of governmental and commercial interests. As the policy researcher K. Lindblom has pointed out, "When a policymaker exercises the power of his position—a vote in parliament, a veto by the president, an executive order—to influence policy, we do not usually label him or her as a person who works for an interest group. But when a policy maker engages in the same policy-influencing activities as a person without power, he or she may also be seen as acting as an interest group... If it is not so strict, we can think of the activities of interest groups as those that influence policy through all interaction

between individuals and private groups that do not have governmental authority and those that government officials engage in outside their direct authority” (Lindblom, 1988). However, the boundaries are not clear cut.

Second is the potential interest groups formed by vulnerable groups, including farmers, migrant workers, blue-collar industrial workers and employees, self-employed industrial and commercial households, urban and rural poor and the unemployed and semi-unemployed. This kind of potential interest group is formed because of the specific interest, so it has the organizational characteristic of coming quickly and going quickly. They are not only the social vulnerable group, but also the political vulnerable group. They are in the state of atomized existence in politics, and have no power, ability, resources and effective legal system to support the formation of the association; the economic resources they control can only survive, for which the possibility of large-scale transformation into political resources is very small, and they almost have no political and cultural voice. However, in the actual political operation, their political rights are excluded, and they are also violated by political power from time to time; their ability to express interests is low, and they have no voice in the decision-making and implementation process related to their interests. When their interests are violated by the government, they seldom take collective action because of free-rider consciousness and high cost, unless their existence is seriously threatened. Generally speaking, they are in a fragmented state in terms of class reality and stage consciousness, according to Chatterji, “the underlying history is fragmentary, discontinuous, incomplete, and the internal division of the underlying consciousness is constructed by elements from the experience of both the dominant and subordinate classes” (Chatterjee, 2001). For all these reasons, they are essentially a forgotten “group who suffers in silence” (Olson, 1995).

Although non-organized interest groups are not as distinct as organized interest groups, their importance in China’s political process should not be overlooked. The first two non-organized interest groups and the institutionalized formal political organizations are inter-embedded, which has become an important variable influencing the political process in China. Some unorganized interest groups are just the outcome of the rising of profiteering industry interest groups. While interest groups formed by vulnerable groups have in most cases resorted to a policy of silence, the political process could be significantly affected if action is taken. The activities of these groups have become one of the most important socio-political phenomena of the past decade and have had an important impact on changes in public policy, making them a political phenomenon of interest that cannot be ignored. In this way, the analysis of disorganized interest groups, which exert great influence on the political process in China, can reveal some essential features of the political process in China.

27.2 Corporate Interest Groups in the Political Process

Corporate interest groups include “people’s mass organizations” and government-run trade associations with obvious characteristics of state corporatism. State corporatism associations are often referred to as “second governments”, meaning that they are the executing agencies or extensions of government policies, whose main function is to carry out policies rather than to actively express interests. However, with the gradual deepening of China’s social and political transformation, some of the government-run trade associations and even “people’s mass organizations”, such as the All-China Women’s Federation and the All-China Federation of Industry and Commerce, have enhanced their functions of expressing interests. According to research, the All-China Women’s Federation uses personal communication, public opinion propaganda, submit reports to the Party Central Committee and the State Council, and lobby during the sessions of the National People’s Congress and the Chinese People’s Political Consultative Conference. It has a certain influence on the formulation and revision of the periodic employment policy for women and the *Marriage Law*. To some extent, it has achieved the goal of integrating women’s demands and safeguarding women’s rights and interests (Howell, 2003; Xu Jialiang, 2003).

Compared with the relatively less organized Women’s Federations (all women in China are natural members of the Women’s Federations, and there is no delegation of authority between the members and the Women’s Federations), Federations of Industry and Commerce at all levels have a membership system, and the degree of organization of the system is higher, so its benefit synthesis and the expression function are also relatively strong. Studies show that influential people in the All-China Federation of Industry and Commerce are constantly calling for more autonomy for the federation, while some at the municipal and district levels are in fact “representing their interests more than those of the government” (Unger, 1996: 185). Federations of Industry and Commerce at all levels actively participate in the formulation of laws, regulations and relevant policies concerning the non-public sector of the economy. Since 1998, the All-China Federation of Industry and Commerce, which nominally represents private entrepreneurs on the mainland, has made several proposals at the annual session of the Chinese People’s Political Consultative Conference, calling for the protection of private property to be written into the Constitution, known in the media as “proposition N. 1”. The report on the work of the All-China Federation of Industry and Commerce points out that the main leaders of the All-China Federation of Industry and Commerce have participated in the discussion of the documents of all the Central Committee plenaries since the 15th CPC National Congress and all the drafts of the “Government Work Report (soliciting opinions)”. At the annual political consultation and briefing meetings convened by the CPC Central Committee and the State Council, the main leaders stationed in the council shall expound their views and opinions to the central leadership, and the central leadership attaches great importance to them. The All-China Federation of Industry and Commerce is also involved in the process of revising 40 draft laws and regulations, including the *Sole Proprietorship*

Law, the *Individual Income Tax Law*, the *Small & Medium Enterprises Promotion Law*, and the *Administrative Licensing Law*. More than 20 provincial Federations of Industry and Commerce have participated in the formulation of regulations by local Party committees and governments on the development of the non-public sector of the economy. At successive sessions of the Ninth National Committee of the Chinese People's Political Consultative Conference, the All-China Federation of Industry and Commerce submitted more than 30 proposals by groups jointly, which involves protecting private property, clearing up policies and regulations that are not in conformity with the spirit of the 15th National Congress and the Constitution, formulating the *Commerce Chamber Law* as soon as possible, establishing a credit guarantee mechanism for small and medium-sized enterprises, arranging for the restructuring and listing of qualified non-public enterprises, establishing a fund for the development of small and medium-sized enterprises, implementing the principle of fair tax burden, and legislating for a socialized credit reporting system. Local Federations of Industry and Commerce at all levels actively participate in the deliberation and administration of state affairs by taking advantage of the forum of the Chinese People's Political Consultative Conference. In the five years from 1997 to 2002, the Federation of Industry and Commerce of provinces, autonomous regions and municipalities submitted more than 500 Group proposals. As a result of various factors, including the continuous appeal of the Federation of Industry and Commerce, many areas of infrastructure, finance, telecommunications and high-tech, which had been monopolized for a long time, have been opened up to private enterprises. Some private enterprises in Shanghai, Guangdong and other places have entered these investment areas. By the establishment of the Minsheng Banking Corp in 1996, after several years of efforts, All-China Federation of Industry and Commerce initiated the establishment of the first non-state joint-stock insurance company—Minsheng Life Insurance Company, which has been officially listed (People's Web, 2002).

In addition, the normally low-key All-China Federation of Trade Union has begun to enter some of the more critical political processes. When the *Enterprise Bankruptcy Law* was first read in June 2004, the representative of the All-China Federation of Trade Union advocated that the rights and interests of employees should be safeguarded first, while the representative of the central bank advocated that bank debts should be paid first in accordance with international practice. The normally low-key All-China Federation of Trade Unions has openly challenged the central government's powerful institutions, sharply questioning whether unemployed workers should be compensated first or paid off the debts first after a company goes bankrupt (Ouyang Bin, 2006). The All-China Federation of Trade Unions also played a role in representing the interests of workers in the drafting of *Labour Contract Law* of the People's Republic of China.

Of course, the spokesman identity of the "people's mass organizations" is also subject to some natural restrictions. "We are a united front organization, not a trade association. We have to keep our interests within bounds, and if there is a definite conclusion on the general policy, we can never say anything more." said a former vice-chairman of the All-China Federation of Industry and Commerce (People's Web, 2002). This functional conflict of All-China Federation of Industry and Commerce

is related to its dual proxy role (Han Guofu, 韩福国, 2001). More significantly, this seemingly “common interest” expression of interest group members by “people’s groups” does not automatically mean that it is not in the interest of the state or its own interests, to some extent, it is intermingled with the interests of institutional interest groups. This is a strategy to adjust its own function and update the way of governance in the new environment. For example, the rise of autonomous associations for women’s rights and interests has broken the monopoly position of the Women’s Federations in the original institutional structure and challenges the positioning of Women’s Federations as “the second government” or as representatives of women’s interests. “As participants in national legislatures, senior All-China Federation of Industry and Commerce officials tend to view the All-China Federation of Industry and Commerce more as a legislature than as an agency that lobbies government for its members.” “While in principle the range of services that can be provided to members is broad, in practice the All-China Federation of Industry and Commerce focuses its functions on government-business linkages and traditional political roles, placing the direct service to members on the back burner.” “Some local chambers of commerce, in the course of the field investigations by foreign experts, have indicated that they felt, on the one hand, that they did not have as much power to serve their members as they thought, and, on the other hand, that the voice of the All-China Federation of Industry and Commerce and local chambers of commerce has very limited influence on the government” (Asian Development Bank, 2003). As another example, in the actual political process of China, trade unions not only represent the interests of workers, but also mediate between labor and management. Besides, why is the All-China Federation of Trade Union trying vigorously to unionize new businesses? In the face of the bankruptcy and closure of state-owned enterprises and the laid-off and unemployment of workers, where does trade union’s funding come from? An independent study has shown that, in order to solve the problem of the survival of more than 600,000 full-time trade union cadres throughout the country, the Federation of Trade Unions at all levels must open up new sources of finance. With the restructuring, bankruptcy and closure of existing enterprises, a large number of new enterprises, such as joint ventures, sole proprietorships and private enterprises, have sprung up. Therefore, the establishment of trade unions in new enterprises has become a top priority of All-China Federation of Trade Union” (Han Heng, 2005).

As for China’s government-run associations, although they have undergone several changes (Dong Yawei, 2005). in general they still have the organizational form of “state corporatism”; however, they do not play the role of “interest representative” or “interest mediation” in the typical (or Western) sense of “state corporatism”, and many trade associations cannot function effectively at all, and their existence and operation have nothing to do with the process of interest group politics or coordination. The associations were not created to represent or inhibit the interests of the groups, but rather to serve as an assistant to a government agencies. Thus, in many cases, while we are looking at the organizational form of corporatism, in essence these arrangements are not related to corporatism. A case study of the Shandong Yantai Trade Association suggests that trade associations in Chinese cities are much

the same as those in Yantai, with the possible exception of Wenzhou, Xiamen and some other cities.¹

As newly emerging modern social organizations, autonomous societies actively interact with the state on the basis of maintaining basic autonomy. At the same time, autonomous societies are faced with dilemmas in terms of legal, human, financial, trust, knowledge and technology, and are in a weak position in the political process. This is because the state's attitude towards autonomous associations is twofold, that is, the state realizes that these associations must be given certain functions in order to lighten the government's burden and promote the transformation of government functions, which is also conducive to the realization of "good governance". At the same time, because of the "Color Revolution" in the Central Asian countries and the influence of domestic illegal organizations such as Falun Gong, the rulers naturally worry about the political purposes of some social organizations. Therefore, it is understandable that the state must exercise "classified control" over autonomous associations (Kang Xiaoguang, 2005; Saich, 2000; Wang & Wang, 2005), limiting their autonomy and their number and penetration within specific regions or industries. Even so, when individual power and resources fail to fulfil or realize their interests, some citizens form associations and, using the resources and means at their disposal (Saich, 2000; Zhao Ximei, 2004), strive to participate in the political process in order to express their interests. Since 2003, the Group of Hepatitis B virus carriers has been organized in the form of a NGO, lobbying members of the member of the National People's Congress and the Chinese People's Political Consultative Conference to express their views rationally, and actively promoting legislation to protect the rights of hepatitis B virus carriers (*Southern Weekends*, 2007). During the deliberation of the draft postal law, in Shanghai, where the private delivery industry is well developed, a number of courier companies elected representatives, went to Beijing and contacted a number of relevant departments (Ouyang Bin, 2006). Of course, in China's political process, whether and to what extent the interests of autonomous societies can be imported into the political system ultimately depends on the will of the government. Protecting the Yunnan snub-nosed monkey and protecting the Tibetan antelope campaigns of the "Friends of nature", a well-known autonomous society in Beijing, are two successful cases, whose success lies in that its actions being supported by the central government and relevant departments (Zhao Xiumei, 2004). A typical case in contrast is: During the construction repairing brickwork of the Jingmi diversion channel, the three environmental protection autonomous societies

¹ Kenneth W. Foster, "Embedded within State Agencies: Business Association in Yantai", *The China Journal*, No. 47, Jan., 2002, pp. 41–65; Yep, Ray, "The Limitations of Corporatism for Understanding Reforming China: An Empirical Analysis in a Rural County", *Journal of Contemporary China*, Nov., 2000, Vol. 9, No. 25, pp. 547–566. However, in these studies, there is no detailed classification of trade associations. In fact, in some economically developed regions such as Wenzhou and Xiamen, there are not only trade associations organized by the state from top to bottom, but also folk trade associations organized from bottom to top (also known as folk chambers of Commerce). There are many differences between them. See Yu Hui. 民间行业商会:合法性困境 (Private Chambers of Commerce: The Legitimacy Dilemma), 南方周末 (*Southern Weekends*), March 17, 2005. As will be noted below, the latter does not possess characteristic of typical state corporatism, but plays a significant role in the relevant local governance processes.

considered that the two sides and the bottom of the original channel should be sealed with cement, and the project had not undergone an environmental impact assessment violating the relevant regulations of the state, and posing serious ecological problems. The case led to a dialogue with the Beijing government but was unsuccessful and the project was completed as originally planned by the government. Both successful and unsuccessful cases show that the state still has an absolute advantage over the society and that the decision remains in the hands of the state and the government.

In the local governance, especially in the coastal developed areas, some community-based interest groups play the role of gathering and expressing the interests of their members. On March 24, 2007, at a gathering of lawyers' representatives in Shanghai, Lu Hongbing, the president, bluntly expressed Shanghai lawyers' demand to participate in political affairs: "Seize the opportunity of the reelection of the municipal People's Congress and the Political Consultative Conference next year, and strive to further increase the number of lawyers entering the NPC and CPPCC." This may be unusual for the head of the bar to express such political demands so "starkly" across the country. At the "two sessions" in Shanghai in 2007, lawyer representatives of the Shanghai Municipal People's Congress and lawyer members of the Shanghai People's Political Consultative Conference put forward nearly 20 new and insightful proposals, among which, the proposal put forward by Qian Liping, a representative of the Shanghai Municipal People's Congress and Vice Chairman of the Shanghai Law Association, to draw up the "Regulations on Electronic Commerce of Shanghai Municipality" was included in the legislative plan of the Shanghai Municipal People's Congress in 2007. The bill is also the product of the platform of "collective discussion mechanism of bill" constructed by the Shanghai Bar Association. In the Shanghai legal profession, there is actually another way to participate in political affairs, which is to act as an individual lawyer to represent public interest litigation or submit a petition to the state authorities. For example, in 2006, Shanghai resident Deng Weijie sued the China UnionPay for inter-bank inquiry fees and the Ministry of Health for illegal certification of the national dental service team. There was also a written statement to the National People's Congress regarding the incident in which police paraded prostitutes and whoremongers through the streets in Shenzhen and other incidents (Zhe Yuan, 2007).

In Wenzhou, Zhejiang Province, the Chamber of Commerce provides reference for government decision-making by collecting and providing industry development information, and puts forward needs and suggestions for enterprise and industry development through direct contact with government officials, to influence and supervise the formulation and implementation of government policies through bills and proposals of the People's Congress and the CPPCC. According to a survey, in 2002–2003, 82.3% of Wenzhou Chambers of Commerce made recommendations to the relevant departments of the state or local governments, and more than 50% of Wenzhou Chambers of Commerce participated in the People's Congress and CPPCC with one to five members, and there are quite a few of organizations with more than 15 members (Yu Jianxing, 2006). In addition, Wenzhou businessmen who do business in other places have set up chambers of commerce in the places where they do business, and are openly involved in the management of local social and public

affairs with their unique organizational advantages, being a bottom-up organizational force, different from the state force, has had a significant impact on the functioning of society and even on the decisions and objectives of the government, effectively facilitating the transformation of local governance (Chen & Ma, 2007; Yu & Xiao, 2004). For example, Yiwu City in Zhejiang Province is the center of China's small commodity trading. Fake and low-quality commodities once proliferated, and the government had no choice but to ban them repeatedly. In 1995, the Yiwu government handed over the responsibility for governance to the Yiwu Union for the Protection of Famous-brand Products, organized by the Yiwu Association of Self-Employed Workers, and fake and shoddy products were largely suppressed. Another example, Wenzhou is famous in the world for its products of smoking set. Once upon a time, the inferior quality and vicious price competition led to the downturn of Wenzhou smoking set industry. Starting in 1993, the Wenzhou municipal government handed over the management of the smoking set industry to the "Wenzhou Smoking Set Industry Association", which had the power to examine and approve enterprises, test the quality of products, protect the lowest price of products and defend the rights of new products; from then on, the smoking set industry in Wenzhou developed healthily (Yu Hui et al., 2002: 39–42, 43–45).

In other places, regional pillar industries also have an important influence on the relevant policy process. Before the 2002 mine disaster in Nandan, the Chamber was invited to major government meetings and major decisions, and their advice was even decisive (Zhu Wenyi, 2002).

The above-mentioned cases show that in local governance, some autonomous community interest groups have a strong sense of political participation, can actively gather and express the common interests of members, reach a positive interaction with the government, and input it into the political process, committed to realizing the interests of interest groups in the political process. This has both improved the image of local governments and maximized social interests, so it is thought that China should vigorously promote the development of such interest groups. There is a more important political logic in advocating the development of such interest groups, that is, according to the political development of Western countries, interest groups based on private property rights will inevitably form independent interest demands in politics and promote China's political democratization. However, some studies do not fully support this political logic, saying that "red capitalists", although they have their own interests, they prefer to express their interests within the established system (Dickson, 2003).

It should also be mentioned that in today's globalized world, the input to China's political process comes not only from domestic but also from foreign corporate interest groups. Some foreign interest groups have already exerted obvious influence in some fields related to their interests. During the drafting of the *Labour Contract Law* of the People's Republic of China, foreign-funded enterprises in China not only showed a high degree of participation, but also influenced the legislative process by various means. For example, "Foreign Chambers of Commerce in China and the China Association of Enterprises with Foreign Investment (the Trade Association under the Ministry of Commerce) exert great influence on the decision-making and

legislation of the relevant departments by means of the home country government or political lobbying, or bribing and taking advantage of the children and relatives of high cadres, or employing some department heads and staffs as consultants (to take consulting fees), or giving relevant projects with substantial funding to research institutions and scholars of ministries and commissions, and other ways to exert a huge impact on the decisions and legislation of China's ministries and commissions. This is the crux of a series of important issues, such as the massive leakage of political and economic information, the high degree of economic dependence on foreign countries, the damage to the independent industrial system, the long-term maintenance of the 'super-national treatment' of foreign enterprises, and the failure to unify the tax rates of domestic and foreign enterprises" (Jiang Yong, 2006).

In a word, the role of the corporate interest groups in the political process of China changes and differentiates quite a lot with the change of the group type, the political time and space and other factors.² On the whole, corporate interest groups show a certain degree of autonomy and ability to act, and are "still under the control of the state, still 'state corporatism' in general, and show some of the characteristics of the transition toward 'social corporatism'" (Unger 1996: 795–819).

27.3 Unorganized Interest Groups in the Political Process

The non-institutionalization of the operation of Chinese interest groups shows that "too many transactions are done in the way of 'backdoor', so that the policy-oriented interest groups have too large scope of activities" (Hague & Harrop, 2007: 263). And this kind of non-institutionalized operation is mainly caused by the activities of unorganized interest groups formed on the basis of collusion between officials and businessmen, private relations, etc. They make it difficult for institutionalized politics to operate normally with non-institutionalized hidden rules, of which the main obstacles are at the central policy implementation stage and at all stages of the local government policy process. Their main way of exerting influence in the political process is to capture the concrete power bureaucrat and eliminate the policy which is disadvantageous to them. To a certain extent, the capture of specific bureaucrat is to capture the government and the state, to the detriment of state autonomy. For example, the capture of Zheng Xiaoyu, the former head of the national Food and Drug Administration and his main subordinates were captured by certain manufacturers, which became one of the factors influencing the implementation of public health policies.

² Some studies of trade associations have pointed out that some social groups have become organizations that exploit their member enterprises because they have departed from their non-profit nature. See Jia Pinrong, 中国社会团体官气十足非盈利组织成食利集团 (Chinese Social Groups Are Highly bureaucratic, and Nonprofit Groups Are Known as Profit-Seeking Groups), China Economic Times, August 7, 2007. This is in marked contrast to the role of the Wenzhou Autonomous Chamber of Commerce cited in this book.

Potential interest groups, dominated by vulnerable groups, are more concerned with specific issues of interest to themselves with “a lack of interest in changing grand national structures and laws”, even on issues related to their specific interests, and the second kind of unorganized potential interest groups can hardly express their individual interests and common interests at low cost through an institutionalized political process. Taking the NPC system, which is supposed to represent their interests, as an example, the limitations of the NPC system, such as the regional nature of the administrative territorial entity, limit the diversity of its functions of expressing interests, and the role conflicts of NPC representatives in the system design, on behalf of the state or society, etc. (O’Brien, 1994). In practice, government officials make up 60–70% of representatives to the people’s congresses at all levels, and the proportion of workers’ and farmers’ representatives has declined in recent membership of the National People’s Congress, in particular, the number of front-line workers and farmers is underrepresented (Wang Guixiu, 2005; Wang Xueying & Liu Bing, 2007; Yuan Xiaoyun, 2007). This has undoubtedly greatly reduced the scope and breadth of deputies to the National People’s Congress, and in fact made power more centralized. Some important institutional designs also neglect to enhance the legitimacy and ability of collective action of such potential interest groups. For example, China’s labor legislation focuses on increasing workers’ individual rights and does not provide them with significant collective rights, such as the recognition of workers’ rights to strike and collective bargaining. The lack of collective rights of workers makes individual rights fragile, empty, ineffectively implemented, and often ignored (Chen, Feng, 2007). With such a system design, unorganized interest groups have no mechanism to express their interests, and participation in the decision-making process would then be out of the question. Since there is essentially no institutional framework for unorganized interest groups to participate in or influence administrative decision-making power, and there is no organic connection between the administrative decision of the government and their interests, and between the political interests of the officials and their economic interests, so the confrontation is inevitable. When administrative decisions hurt their interests, even if they struggle, there is little institutional room for change. Therefore, among them, there exists the phenomena of “no use”, “no way of expression” and “no use of expression”. Their channels of expression are also largely confined to the lowest levels of the administration (Chen Yingfang, 2003), and to the *ex post facto* expression, that is, after the right is violated in the process of policy implementation, and then proceed to defend the right. At the last stage of the political process, the demands of interests are often restricted by the network of power structure in which they are located and cannot be realized and satisfied effectively (Wu Yi, 2007). However, when their common interests are infringed and become a real community of interests, politically and legally, they cannot formally form an interest group to engage in the interest expression and rights appeal of the group, so the most effective way is to link the fragmented individual existence into a recessive organized group event is the expression of interests in the form of a high-profile “social struggle” (known in China as “civil disorder”-mass disturbances) (Chen Yingfang, 2004). As Almond said, “in societies with wide disparities between rich and poor, formal channels of interest expression are likely to

be controlled by the rich, while the poor either are silent or resort to violent or aggressive means to make their voices heard” (Almond & Powell, 1987). Since the early 1990s, “social protest” has grown by geometric progression: 8,700 in 1993, 60,000 in 2003, 74,000 in 2004 and 87,000 in 2005. Each incident involved dozens, hundreds, thousands or even tens of thousands of people. There were 2,700 attacks on Party and government organs in 2000, 3,700 in 2003, and 3,100 incidents of blocking roads, lying on rails or blocking trains (Qi & Xu, 2006; Ru Xin et al., 2004: 235). There are different reasons for the “social struggle” in different historical periods: 30% of the reasons in the mid-1990s were caused by the lack of workers’ wages, pension and medical insurance in the process of enterprise restructuring; by the beginning of the twenty-first century, due to the upsurge of land expropriation in the cities and the countryside; from 2003 to 2005, the incidents of “social resistance” increased sharply, 65% of which were caused by land expropriation and house demolition, and more than 40 million peasants lost their land (Ru Xin et al., 2004: 177). In the process of political modernization in any countries, there is “social confrontation” politics, but the “social confrontation” in Western countries is mainly caused by the weak state intervention and labor-capital relations, while China’s “social confrontation” is mainly triggered by excessive government intervention. According to official information, 80% of land violations are brought by local governments (Sina.com.cn, 2007). We have already known that local governments overstep in land development because they form a *de facto* alliance of interests with property developers. In addition, although the “social confrontation” of another special group is small in scale and not high in the proportion of “social confrontation” events, the impact is shocking; it is the collective action of the veterans who are unemployed or whose basic benefits are not guaranteed.

Although there are so many “social confrontations” every year, the vast majority of them is targeted at specific interests, isolated from each other rather than combined, and therefore they do not fundamentally destabilize politics. However, without adequate attention and practical solutions, the accumulation may endanger social and political stability. In early 2007, Chinese authorities said publicly that the civil disorder had become the most prominent issue affecting social stability, pointing out four main features of the civil disorder: first, major civil disorder occurring successively and becoming more and more widespread; second, the politicization of economic issues; third, the degree of violent confrontation has increased significantly; and fourth, the involvement of foreign political forces in mass events in China (郑永年, 2007). Such a large number of “social confrontations” means that policies in many areas have gone awry and social injustice has increased, which the authorities must respond to. As a result of re-examination of the past social and economic policies, the new public policy proposed by the previous government is “building a new socialist countryside” and a harmonious society. In a sense, China’s “social protest” politics, like Western electoral politics, is a blunt but powerful way to influence and change policy.

Some special groups, such as intellectuals, workers of large enterprises and veterans, can directly influence the political stability and order, and their “social resistance” can directly win the policies in their favor. For example, the conflict

between intellectuals and the Party in the 1980s often turned into a social conflict (student movements and ideological confrontation), but after the dramatic improvements in teachers' housing and salaries in the late 1990s, the relationship between intellectuals and the Party has never been more cordial; when tens of thousands of Daqing oil workers took to the streets to protest against reforms to their companies that were not good for them, the central government decided to stop implementing the "buyout" reforms³; when veterans began to protest in an organized way, the central government introduced rules to improve their benefits.

27.4 Summary: "Rediscover" Chinese Democracy in the Study of Social Democracy

Democracy is divided into social democracy, economic democracy and political democracy. From Aristotle's *Politics*, Europeans all talk about democracy as political democracy, or political system democracy, that is, the existence or absence of "people" in the process of the emergence of regime, and "people's sovereignty" is the typical theory of political system democracy. From the beginning of the British Revolution, Europe was in the "politics of liberation" until the Second World War. "liberation politics" refers to democracy as a political system, as does liberalism, conservatism and Marxism.

However, as a European, Alexis de Tocqueville having toured the United States, put forward a completely different concept of democracy—township autonomy as democracy. In France, people's sovereignty is represented by "square politics" in the "Great Revolution", and by majority vote in "square politics". However, in the United States, people's sovereignty manifests itself in the autonomy of towns and villages, where people are so law-abiding and actively concerned about public affairs. It can be said that as a political sociologist, Alexis de Tocqueville's *Democracy in America* is a watershed in the theory of democracy, and social democracy is American democracy. In this sense, Dewey's pragmatic view of democracy is also Alexis de Tocqueville's, that is, democracy is everywhere, in the family, schools, churches, factories, so democracy is not a matter of what is there, but how much is there. There is no doubt that Dewey's democracy is also social democracy.

However, the outbreak of the Cold War turned American politics into "Cold War politics", which abandoned the social democracy of Alexis de Tocqueville and Dewey and returned to the European traditional "people's sovereignty", that is, political democracy. However, it also Americanizes the notion into a procedural stage—competitive elections are democracy, otherwise they are undemocratic politics. But post-Third Wave Democracy Americans, in light of the failure of many countries to transition to democracy, or "a return to democracy", have come up with the concepts of "electoral authoritarianism", "competitive authoritarianism",

³ "Buyout" means the enterprise gives the workers a one-time buyout based on their length of service, then lays off the workers and stop paying for benefits like health insurance.

and “non-liberal democracy”. This shows that the Americanization of the concept of political democracy has been invalidated, and the 2016 United Kingdom European Union membership referendum and the US election have made the fate of “electoral democracy” even worse.

In this sense, what kind of political democracy is good is still a question in the historical process, or still in the “no man’s land” of democratic theory. Who will be the first to walk out of the “no man’s land”? That is for history to answer. With the debate over political democracy in doubt, let’s return to the social democracy of Dewey and Alexis de Tocqueville. Social democracy is, in the final analysis, social autonomy or the independent existence of a society, and the degree of social democratization directly affecting political democracy, which is the foundation of political democracy; on the contrary, political democracy does not necessarily mean social democracy, or political democracy can worsen social democracy. After the Second World War, many emerging countries completed the liberation of political democracy, with the so-called electoral politics, but how did they turn out? In many developing countries, such electoral politics reinforce an inherent social structure, including tribalism and feudalism. Thus, in the emerging countries that have not undergone social structural changes, political democracy has worsened the inherent social structure. Democracy in the Philippines is in fact a landlord democracy, while in India it is a fragmented democracy based on ethnic groups, and in Africa it is a tribal democracy. In the 2009 Philippine gubernatorial election, Mangudadatu, a candidate from another province, took his family, lawyers and 32 journalists, 58 of them, to the Maguindanao in the southern Philippines to run for governor; as a result, all 58 people were massacred by a private militia of the Ampatuan family of the rival Maguindanao Governor. Although 197 people were subsequently charged, none was convicted and all were acquitted. This is what we call feudal democracy.

The greatest contribution of the Chinese revolution was the completion of the transformation of the traditional social structure, such as the land reform, the equality of men and women, and the abolition of the patriarchal system, which made the Chinese society truly an egalitarian society, and this is the fundamental symbol of the modern society. Social democracy, which is produced on the basis of equal social structure, is the most solid backing of political democracy. The premise of measuring social democracy is based on social equality, which leads to the meaningful study of the number and autonomy of associations. The autonomy of associations in the ancient social structure can only be bad politics, insurmountable bad politics.

A controlled number of trade associations and other corporate interest groups, although characterized by what Westerners call “state corporatism”, it has to be said that they are interest-expressing organizations with diversified interests, and pluralism is an important symbol of democracy. Moreover, social struggles of unorganized interest groups with the various spontaneity, autonomy and even “civil disorder” are all part of the democratization process itself, and the struggle itself is part of the democratization process. Can “social resistance” be allowed in an authoritarian regime, not to mention “political protest”?

The organizational behavior of unorganized interest group, especially its protest behavior, is just a kind of interest expression and is likely to get an effective response,

and “responsiveness” is precisely what liberal democratic theory also emphasizes. The quality of China’s electoral democracy needs to be improved. For example, in the 2016 election of deputies to the people’s congresses at the county and district levels, the electoral constituency of Fudan University was aborted because it had no more than half of the deputies, and there had been widespread vote buying by the representatives of the National People’s Congress in Liaoning Province. But authoritative research has shown that the speed and quality of the Chinese government’s response are no less than in the West. For example, in the area of labor disputes, public trust in the government is as high as 73%. This data is consistent with other authoritative studies, such as Professor Zhu Yunhan’s (Chu, 2016; Tang, 2016b).

This phenomenon illustrates the benign and effective interaction between the State and society. On the one hand, the Chinese people dare to express their interests in the form of protests, because the continuous revolution in China in the “revolutionary century” has awakened people’s consciousness of political rights and political participation. Moreover, in their blueprint for governing, the rulers also support people’s participation in accordance with the law and in an orderly manner, while “resistance” in a certain range and in the nature of specific cases is in line with the civil rights stipulated in the Constitution. Chinese people are not held back by an “authoritarian” government as foreigners imagine them to be. On the other hand, for ideological reasons, we must never disregard or ignore the party’s people-based nature of “building the Party for the public and governing for the people.” It is not lip service to say that the Party has no interests of its own. Indeed, the people-oriented nature of the Party is demanded all the time and is embedded in the “Party system”. In this sense, compared with the party representing part of the interests of the multi-party state, the Communist Party represents the interests of the whole, and its “unlimited responsibility” makes it more responsive, proactive, and effective in responding to the demands of the people. Therefore, explaining the effective responsiveness of the Chinese Communist Party should not stop at the so-called preserving the “authoritarian government”, the analysis of this ideologization fails to reveal the deeper cultural layers—the people-based nature of the Communist Party. Similarly, in the Confucian culture of East Asia, governments are a more or less people-oriented, but the multi-party system of “veto-based government” has let people-oriented politics go up in smoke, as is the case of Korean politics.

Part VII

Policy Process: Consensus Democracy

Consensus democracy, based on consultative democracy, is not only the product of specific culture, but also the result of institutional arrangement. It is not a policy process to be possessed at will although the ruling philosophy of the ruler is also important.

As stated in the first chapter of this book, only by understanding the policy process can one truly understand the nature of a state's polity. According to one American political scientist, the essence of American politics is the interaction of interest groups in the policy process between the two elections (Hilsman, 1988, p. 324). Not only that this is the case in the United States, it is also consistent with the general rule of political operation. After the establishment of the route, that is, after the formation of the new government, policymaking becomes the biggest politics, and the way in which the political agenda is set becomes an important indicator of the degree of political democracy in a country. It has long been accepted that America's reformed version of democracy, electoral democracy, or majoritarian democracy, defines a country as democratic or undemocratic by the presence or absence of competitive elections. Joseph Schumpeter, the founder of electoral democracy, once said, the majority is by no means suitable for legislation or the decision-making process. After an election, the people's mission is accomplished. As for how elected politicians make decisions, and how governments and parliaments interact, are not the province of democracy (Schumpeter, 1999, p. 424). Giovanni Sartori followed up: "Elections don't dictate policy, they only decide who makes policy. Elections don't settle disputes. They just decide who settles disputes" (Satolli, 1993, p. 115). However, the majoritarian democracy has become so ubiquitous in the U.S. policymaking and legislation process that the result is a veto politics: a bill cannot pass without a majority, and the new Congress is also likely to pass the majoritarian democracy and reject the previous bills. This "veto-based regime" became more pronounced in the post-cold war era when there was no external threat. Not only that things have gone wrong at home (in the West) where the majoritarian democracy originated, the situation in the importing countries of democracy is not promising either, such as the Arab Winter caused by the Arab spring, the civil war in Ukraine, and the chaos in Brazil in 2016, and so on. All of this requires a new understanding of the theories and practices that are held

to be the classics. The majoritarian democracy is the simplest form of democracy, noted Inglehart, a prominent American democracy theorist, “We can build electoral democracy almost anywhere, but it is essentially meaningless if it cannot take root on the basis of elites that are responsive to the people” (Inglehart, 2011, p. 151).

New models of democracy must therefore be sought. We found that whether it is the overall policy agenda of deepening reform across the board, or industrial policies such as the new deal for Didi riding, or projects such as the construction of PX chemical project that affect people’s immediate interests, the interaction between the officials and the people is the result of the consensus between the officials and the people, not to mention the institutionalized “democratic talks” which are limited to the low-level decision-making. It can be said that China’s policy process is a consensus-based democracy. Of course, this “consensus” does not always produce positive results; the significance of a policy “consensus” hijacked by interest groups, for example, is worth discussing.

For the convenience of discussion, after briefly expounding the theory of consensus-based democracy, this chapter will only include in the discussion industry policy and project engineering. In fact, the decision of the Third Plenary Session of the Eighteenth Central Committee of the Communist Party of China on comprehensively deepening reform is a big case of consensus decision-making, but the information between the social demand and the policy decision-making process is difficult to describe and will not be dealt with in this chapter. There are also a large number of case studies at the micro level, such as “democracy talks” and “community councils” that will not be included in here either. But the decision-making process at the top and the “democratic talks” at the bottom are undoubtedly the “institutionalized consultative consensus democracy”, which are to be discussed in the following.

Chapter 28

Consensus Democracy



In the 1980s, a new round of innovation of democratic theory emerged in the Western ideological circle, in which in addition to consensus-based democracy, there are deliberative democracy, negotiating democracy (in China collectively known as “consultative democracy”) and so on. The construction of socialist consultative democracy has been put on the political agenda in China. Why, then, should consensus-based democracy be highlighted? What are the theoretical elements of consensus democracy? What is the relationship between consultative democracy and consensus-based democracy? This section attempts to give a brief exposition.

28.1 Consensus Democracy as an Alternative to Majoritarian Democracy

In the 1960s and 1970s, the West, and especially the United States, was plunged into a political crisis, as the civil rights movement of the black revolution, the anti-Vietnam War movement, and the explosion of organized interest groups in geometric progression after the Vietnam War made American political operation difficult. In this context, there emerged a movement of reflection in American philosophy and social sciences, the aforementioned John Rawls’ *A Theory of Justice*, Dahl’s *The Dilemma of Pluralist Democracy*, and *The Crisis of Democracy* by Huntington et al., as well as the emergence of deliberative democracy in the 1980s, are the result of rethinking the existing political system. In the process of reflection, many democracy theorists proposed the “a family of concepts” of deliberative democracy, such as “deliberative democracy”, “negotiating democracy”, “dialogue democracy”, LijPhart proposed “consensus-based democracy” in the 1980s.

LijPhart, an American political scientist, describes the process of reflection as follows:

I used to believe in the old ways, too, but I didn't get out of it until years later. While pursuing undergraduate's and master's degrees in the 1950s and 1960s, I used to think that Westminster's majoritarian model was the best form of democracy in every way, enough to dwarf the proportional representation, the coalition cabinet, and so on. Of course, the embrace of the Westminster model represents a long established tradition in American political science... In the 1960s and 1980s, I entered the second phase of my understanding. I became acutely aware of the dangers of majoritarian democracy in highly religious and ethnic societies, but at this point I still believe that majoritarian democracy is a better option for more homogeneous countries. It was not until the 1980s that I became convinced that the consensus model was superior to the majoritarian model, not only for all democracies, but for all aspects of democracy. (LijPhart, 2006: 2)

The model of consensus democracy refers to rule-making and institution-building aimed at broad participation in government and general agreement on policies pursued by the government. The first difference between consensus democracy and majoritarian democracy is that the majoritarian democracy model exercises power in the form of a majority, which is often a relative majority rather than an absolute majority; while the consensus model of democracy shares power and achieves co-governance through consultation, dialogue and other forms of institution.

The second difference is that the majoritarian democracy model is exclusive, competitive and confrontational, while the consensus democracy model is characterized by inclusiveness, negotiation and compromise. In this way, consensus democracy can be regarded as "negotiation democracy" (LijPhart, 2006: 1–2).

Of course, consensus democracy is not without a cultural foundation. In LijPhart's view, "consensus democracy cannot take root and thrive unless it is supported by a political culture that seeks consensus" (LijPhart, 2006: 225).

In short, the elements of consensus-based democracy are the cultural foundation of inclusiveness rather than confrontation, the policy process of whole process rather than one-time voting, the broad participation rather than a relative majority, and the principle of consultation, coordination and collaboration in the policy process. In this regard, China's political culture and practice meet almost all the requirements and characteristics of consensus-based democracy.

First is the cultural foundation. Consensual democracy based on consultation seems to be a concept tailor-made for China. Chinese culture is a typical "harmony and cooperation" culture (Zhang Liwen, 2004), and the biggest legacy of traditional politics is consultative politics (Lin Shangli, 2007). Therefore, what we call the "majoritarian rule" is absolutely different from the uncompromising majoritarian democracy of the Western countries, it is the majority rule after negotiation. The tradition of consultative politics on the basis of harmonious culture was further developed by the Communists. During the Yan'an period, Mao Zedong said, "All relations of the country must be negotiated." "You are familiar with the character of our government, and we consult with the people in handling matters," and "we may call it a consultative government." As Zhou Enlai once said, "The spirit of the proceedings of the new democracy is not in the final vote, but in prior consultations and repeated discussions."

In the new historical period, the Party has a more comprehensive understanding of consultative politics, taking it not only as the spirit of people's democracy, but also

as the key to the decision-making process. In his speech at the 65th anniversary celebration of the founding of the Chinese People's Political Consultative Conference, Xi Jinping said:

Under the Chinese socialist system, it is the essence of people's democracy to have all things to be discussed, the business of all to be discussed by all, and to find the greatest common denominator of the will and requirements of the whole society. Matters concerning the interests of the people should be well discussed among the people about what to do, and it is very difficult to get things done without consultation or without sufficient consultation. We should insist discussing things more, on more consultation in case of trouble, on more discussion when do things, and the more in-depth consultation, the better. Matters concerning the interests of the people of all ethnic groups in the country should be discussed widely among the whole people and the whole society, and matters concerning the interests of the people of a locality should be discussed widely among the people of that locality. Matters concerning the interests of a certain part of the people, or the interests of a particular part of the people, shall be discussed widely among this part of the people, and matters concerning the interests of the grass-roots people shall be discussed widely among the grass-roots people. The process of extensive consultation among the people in all aspects is the process of promoting democracy and brainstorming, the process of unifying ideas and building consensus, and the process of scientific and democratic decision-making, is the process by which the people become masters of their own country. Only by doing so can there be a solid foundation for state and social governance and can strong strength be gathered. (Xi Jinping, 2017b: 292–293)

Second is the whole process. The classical expressions of “from the masses to the masses” and “centralism on the basis of democracy, democracy under centralized guidance” mean, in fact, the democracy and degree of democracy in the decision-making process.

China's policy process embodies full-process democracy, not a vote-for-all. As General Secretary Xi Jinping remarked during a stroll in Zhongnanhai with then US President Obama on his thoughts on Chinese governance, democracy is not a one-off choice; it should be reflected in the overall political process. In his speech at the 65th anniversary celebration of the founding of the Chinese People's Political Consultative Conference, Xi systematically laid out what might be called the idea of full process democracy:

Whether the people enjoy democratic rights depends on whether they have the right to vote in elections, whether they have the right to participate continuously in their daily political life, and whether they have the right to hold democratic elections, and it also depends on whether the people have the right to democratic decision-making, democratic management and democratic supervision. Socialist democracy not only needs the complete system procedure, but also needs the complete participation practice. The people as masters of the country must be embodied concretely and realistically in the governance of the Communist Party of China and the governance of the country, and concretely and realistically in the work of the Communist Party of China and state organs in all aspects and at all levels, concretely and realistically in the realization and development of the people's own interests. (习近平, 2017b: 292)

The final point is consultation, coordination and collaboration in the decision-making process. Consultation means that if a decision involves many departments, and each department has many levels, for example, China's health reform involves about 20 ministries and departments, not all of them are decided by ministers, it is

likely that a division or department at a lower level will discuss and consult first. This is the way of consultation.

The leading group system is the unique system arrangement of the Communist Party of China. From the founding of the New China until today, there have been leading groups formed to coordinate several departments. The leading group consists of offices and departments in charge. There is an office under the leading group, located in the competent authority.

Collaboration refers to the cooperation of the departments concerned under the leading group on the basis of consultation, negotiation and compromise. Because each sector has its own interests, it is difficult to work together without coordination, as in the Western “sectoral politics” of mutual veto.

The consensus decision-making model works through repeated consultation, coordination, collaboration, comparison of the advantages and disadvantages of different programs, and finally puts it into a new program. Consensus decision-making is, in many cases, a better form of democratic decision-making.

The model of consensus democracy has been embodied in many major policy-making in China, from the decision on comprehensively deepening reform announced at the Third Plenary Session of the 18th Central Committee to the 13th five-year Plan, all are models of consensus democracy.

During the 40 years since China’s reform and opening-up, profound and even revolutionary changes have taken place in the social structure, people’s concepts and relations of interests, and a pattern of diversified interests has taken shape, sectarianism and special interest groups are not uncommon in political life, such as special political and economic interest groups that have been forcefully dismantled in the fight against corruption. They may play a special “veto point” role in the policy process. In this regard, China must adhere to the democratic centralism principle of consensus-based decision-making, so that various interest groups can express their interests through the mass line and the form of consultative democracy, and achieve cooperation through consultation and coordination.

There is no doubt that the model of consensus democracy is superior to the model of majoritarian democracy, and the advantages of this model of decision making reflect the advantages of having institutions. What we call mass line and consultative democracy are in fact important elements of consensus democracy. The difference is that mass line and consultative democracy focus on the decision-making process, while consensus democracy includes the results of these processes; as a “process-result” concept, it can better summarize China’s policy process.

28.2 The Institutional Basis of Consensus-Based Democracy and Consultative Democracy as an Important Form Leading to Consensus-Based Democracy

As mentioned above, consensus-based democracy is not something that can be possessed at will. It needs not only a cultural foundation but also institutional safeguards. The institutional structure of LijPhart's consensus democracy is, in the horizontal dimension of administration—political party, there are five elements: multi-party coalition government, balanced parliamentary-government relationship, multi-party system, proportional representation in the electoral system, and corporatism among interest groups; in the vertical relationship between central and local governments, there are five elements: federal system, bicameral system, rigid constitution, judicial review power of courts and independent central bank. There are many problems in the cross structure of “one vertical and one horizontal”. For example, Germany, which the author regards as having more elements of a consensual democratic model, is not necessarily a multi-party system of government; in the relationship between government and parliament, the executive is stronger than the parliament; in the system of political parties, it is basically a two-party system; and in the structure of parliament, it is in fact a unicameral system. These are the basic elements of the model of majoritarian democracy that LijPhardt categorizes. Then in Japan, which he sees as a model of consensual democracy, where for 50 years after the war the party system was not multi-party but one-party dominance. In other respects, such as the formation of a one-party government, strong administration, majoritarian elections, a unicameral system, and a non-independent central bank, are all institutional indicators of the typical model of majoritarian democracy, but as in Germany, there is plenty of political consensus in Japan's political process. What's more interesting is that even he does not believe that what he calls institutional indicators are necessary for a democratic model, such as when he considers a rigid constitution to be an essential element of a consensual democratic model, he said: “Britain and New Zealand do not have a written constitution, mainly because the two countries have a strong consensus on the most fundamental political rules, and a formal constitution has become redundant” (LijPhart, 2006: 159). Why, then, take the form of the constitution as a constituent element of the democratic model? And doesn't it also show that Britain and New Zealand, which LijPhart calls the “majoritarian democracy”, are in fact the very model of consensual democracy?

LijPhart would not have included China in his comparative vision because of his inherent ideological bias that a socialist country cannot be democratic, but if he had gone deep into China's political process, perhaps China should be the model for its consensual democracy. Comparing with LijPhart's “one vertical and one horizontal” system, the institutional foundation of China's consensus democracy is the democratic centralism system of politics, and the principle of democratic centralism runs through both horizontal party-government relations (including executive-legislative-judicial) and government-market relations, as well as vertical central-local relations

and state-social relations (Yang & Qiao, 2015). There can be no consultation without democracy; there can be no consensus without centralism and with only democracy, and the process of centralism is also full of democratic consultation. Therefore, consultative democracy is an important form leading to consensus-based democracy.

The concepts of “deliberative democracy”, “consultative democracy” and “dialogue democracy”, which arose in the 1980s, were introduced to China in the early twenty-first century, and suddenly became the official language in China because China has a “political consultative system”. As a matter of fact, when Western thinkers put forward this new concept, a similar concept had already been put forward in China’s political practice and political reform, such as social consultation and dialogue mechanism. As the 13th Central Committee of the Communist Party of China put it in 1987: “There must be channels through which the demands of the masses and their voices can be smoothly and regularly reflected, and there must be places for proposals and places for grievances. The specific interests and opinions of this part of the people are not the same as those of that part of the people, which also need opportunities and channels of communication. Therefore, we must form a system of social consultation and dialogue, and in a timely, unobstructed and accurate manner, to have the information reach from the bottom to the top, and from top to the bottom, to communicate with each other, and understand each other” (Zhao Ziyang, 1987).

In the eyes of the Chinese Communist Party, the mechanism of social consultation and dialogue is actually a new form of mass line, which places more emphasis on the subjectivity of the masses. The report to the 13th National Congress of the Communist Party of China stipulates: “The basic principle for establishing a system of social consultation and dialogue is to carry forward the fine tradition of ‘coming from the masses and going to the masses’, to increase the openness of the activities of leading organs, to let the people know major events and to discuss major issues. At present, the first step is to formulate a number of provisions on the system of social consultation and dialogue, making it clear which problems must be solved by which institutions and which groups through consultation and dialogue. Consultation and dialogue on major issues within national, local and grassroots institutions should be carried out at three different levels: national, local and grassroots. Leading organs at all levels must take it as a major event in their leading work. We should give greater play to the existing channels of consultation and dialogue and pay attention to opening new channels. We should increase the coverage of government affairs and party activities through all modern news and propaganda tools, give full play to the role of supervision by public opinion, support the masses in criticizing shortcomings and mistakes in our work, oppose bureaucracy and fight against all kinds of unhealthy practices.”

The mechanism of social consultation and dialogue is based not only on the mass line, the political tradition of the Communist Party, but also on the millennial tradition of Chinese politics, and an important tradition in Chinese politics is the politics of consultation. In this way, there are political and cultural foundations for deliberative democracy and consultative democracy in China. Although in theory “deliberative democracy” is somewhat different from our system of political consultation, there are similarities after all, and many elements of Chinese politics are yet to be explored

and explained in theory, so the concept of deliberative democracy is naturally a good theory to explain the system of political consultation. Therefore, at the beginning of the twenty-first century, the Chinese government defined electoral democracy and deliberative democracy as the two main forms of democracy. Although this definition needs to be improved, it does illustrate the official preference for the concept. In “Opinions on Strengthening the Work of the People’s Political Consultative Conference” issued by the Central Committee of the Communist Party of China in 2006, for the first time, the two forms of democracy in China were clearly defined: “Two important forms of socialist democracy in our country are the exercise of the rights of the people through elections, voting and full consultation among the people before major decisions are made, so as to reach consensus on issues of commonality as far as possible.”

We know that one of the biggest changes in the twenty-first century in the last decade or so has been the relationship between the internet and politics, the far-reaching political impact of the technological revolution that has made popular participation ubiquitous, and this change has become a kind of mechanism for restricting or supervising the exercise of power. Given this technical political influence, it cannot be denied that participatory democracy is already a form of democracy that cannot be ignored in the twenty-first century. However, both consultative democracy and participatory democracy are in pursuit of consensus-based politics or consensus-based democracy in China’s political process. By comparison, participatory democracy is a spontaneous form of democracy, while consultative democracy is more of a top-down form of organized promotion of democracy.

In 2013, the Third Plenary Session of the 18th Central Committee of the Communist Party of China issued a decision on deepening reform in an all-round way, which included the promotion of socialist consultative democracy in the political field. This “top-level design” was laid out in the “Opinions of the Central Committee of the Communist Party of China on Strengthening the Construction of Socialist Consultative Democracy” adopted by the Political Bureau at the end of 2014. It calls for consultations among political parties, people’s congresses, governments, CPPCC committees, people’s organizations, grassroots institutions and social organizations, and strives to build an all-dimensional and multi-tiered consultation system by 2020.

When it comes to the system of consultative democracy, the aim of the Communist Party of China is to better realize the People’s democracy or stick to the people’s subjectivity. A major problem in contemporary politics is the lack of “representation”, so what kind of democratic form for achieving people’s democracy is a great challenge in modern world politics.

“People’s sovereignty” (the Chinese people are used to call “people’s democracy”) is a kind of universal ideal and pursuit of modern politics. People’s democracy is not only an ideal and slogan, but also a political system to realize the equality of subjects, the initiative of the people, and to ensure the public interest is not distorted. However, as a kind of value and political system, people’s democracy will not be realized automatically, and it needs concrete democratic form to carry it out. How to realize people’s democracy is still a big issue in practice, and mankind is constantly exploring it. So far, the corresponding forms of democracy are:

- (1) Democracy in the square. The square democracy of the French Revolution, the first practice of people's democracy, ended in failure.
- (2) Social autonomy. Alexis de Tocqueville says the vibrant autonomy of towns and villages in the United States is the realization of people's sovereignty, and Lincoln famously calls it "rule by the people". This is a reflection of the agrarian society, with industrialization and the nationalization of government affairs, national politics cannot be solved by a democratic form of self-government.
- (3) Majoritarian democracy. The popular idea of democracy after the Cold War was majoritarian democracy. We have already seen that this practice of replacing people's democracy with a form of democracy has led to many problems within the Western countries and even more disasters for the developing countries. This is our window of opportunity to build people's democracy in alternative forms.
- (4) Consultative democracy. A good form of democracy must seek the genetic basis of civilization. It is generally believed that there are four bases for deliberative democracy in China: cultural basis, theoretical basis, institutional basis and practical basis. In this sense, we say that consultative democracy is a form of democracy with unique advantages in China, and the best way to enrich people's democracy is to build consultative democracy.

In the above-mentioned forms of democracy, in theory, all forms may embody people's sovereignty through political consensus, or they may lead to consensus-based democracy. But historical experience tells us that the outcome of square politics is uncertain, as in the French Revolution; that social autonomy is largely limited to grassroots politics, a concept that does not lend itself to political analysis above the middle level; and that majoritarian democracy is a procedural theory, it is assumed that such a procedure will be accepted, provided that it effectively represents the will of the people, but in fact it may well evolve into an oligarchy that infringes on the interests of the lower strata of society. Therefore, strictly speaking, only consultative democracy is the true form of democracy leading to consensus-based democracy and people's sovereignty.

If consultative democracy exists in all countries in the world, but as an institutional arrangement, consultative democracy is unique to China, so consultative democracy is China's unique form of democracy with unique advantages. From China's state system, political system and party politics, to the basic political system and policy process, as well as all aspects of social life, all have embodied the institutional arrangements and spiritual essence of consultative democracy.

- (1) The consultative democracy embodied in the state system. The state system of China is a working class led people's democratic dictatorship based on the workers—farmers alliance. The "people" included not only the working class, the farmers, the petite bourgeoisie and the national bourgeoisie, as Mao Zedong put it, but also the intellectuals and the new type of socialist laborers; the Constitution stipulated that all ethnic groups should respect each other. The thought of "republic" and "united front" is embodied in the state system, whether it is the nature of "alliance" or the relationship among "people", while

the united front, as the magic weapon of the Party, is naturally an important form of consultative democracy.

- (2) The consultative democracy embodied in a political system (the fundamental political institution). China's political system is a People's Congress organized on the principle of democratic centralism. Representatives to the National People's Congress are created based on the principle of consultation and election, and the legislative process of the National People's Congress embodies consultative democracy, such as the draft of property law, which concerns the vital interests of the people and brings together more than one million people to participate, and draws on public opinion through hearings, and the process of People's Congress is also full of vivid embodiment of consultative democracy.
- (3) Consultative democracy in the basic political institution. Consultative democracy runs through the basic political system (including the system of regional ethnic autonomy, the system of multi-party cooperation and political consultation under the leadership of the Communist Party, and the system of grass-roots democracy). For example, the political consultation system is a typical consultative democracy system in the inter-party relations, that is to say, the inter-party relations in our country are organized according to the principles of consultative democracy. This ensures political harmony and liveliness, which is totally different from the distortion of public interest caused by polarization of competition among political parties in the Western countries.
- (4) Consultative democracy in policy process. In political life, consultative democracy is reflected everywhere from the emergence of leaders, the enactment of laws and major decisions, which can be basically summed up as: consultation precedes decision-making; consultation precedes election. Mao Zedong said: "Big democracy is used to scare the enemy, small democracy only works." There is no doubt that the "small democracy" is a consultative process between the cadres and the decision-makers in the decision-making process.
- (5) Consultative democracy in social life. Because of its deep practical foundation, namely the united front and mass line traditions of the Party, various forms of consultative democracy have been created in the real social life, such as hearings, democratic talks, civic councils, villagers (residents) representative meeting, and so on. Socialist politics and culture encourage the participation of the masses and emphasize the tradition of consultation, which is an important factor in promoting the development of consultative democracy.

Because of the good foundation of consultative democracy, the Party has decided to take the construction of consultative democracy as a breakthrough to enrich people's democracy, that is, the aforementioned "Opinions on Strengthening the Construction of Socialist Consultative Democracy." We believe that consultative democracy is not only embodied in domestic politics, but should also be a basic principle of China's foreign policy, that is, consultation between countries. In the construction of consultative democracy, we need to find the intersection or maximum common denominator of the following four items, which is a breakthrough in the construction of deliberative democracy.

First is to solve the crux of “life politics”. Democracy is not aimless, but solves specific problems and ease people’s grievances. Who have the most right to be angry now? They are not the lower classes, but those with vested interests. It is true that those with vested interests have more demands because they live in cities and have higher education, but most of them are dissatisfied with the micro politics, that is, “life politics”, which leads to dissatisfaction with the macro politics, and is a kind of empathy. The priority or breakthrough should therefore be to establish effective consultative democracy at the grassroots level.

Second is about issues of vital interest to the people that must be decided in a consultative and democratic manner. In the decision-making procedures, the State Council has clearly stipulated that all major decisions involving the vital interests of the people must listen to the opinions of the parties concerned, and must have the participation and argumentation of experts. The key is implementation.

Third is about major policy agendas involving the public interest and long-term interests that must be negotiated. First is to brainstorm, followed by finding the greatest common denominator for maximum support.

Fourth is to promote the institutionalization of consultative democracy. As an institutional form, consultative democracy must be a visible, real political process, which can be measured. Consultative democracy is more difficult to measure than electoral democracy. As a unique form of consultation system with a long history, it also has its inevitable negative assets, that is, how to negotiate truly and equally in a humane society. The lesson of the past is that many good institutions are just formalized at the grassroots level, and how to make negotiating democracy take root is a perceived challenge. For example, how to have it become conscious behavior. Because the level of institutionalization is not high, whether or not consultative democracy can be consciously and voluntarily implemented during the decision-making process is a universal phenomenon that cannot be ignored. To this end, it is proposed that matters requiring consultative democracy be prescribed, that is, to adopt a “list system”. Or, for that matter, how to prevent indecision. Democracy is not for show, it is about formality. It is about decision-making, and decision-making itself implies responsibility and accountability. It is not uncommon in practice to shift decision-making responsibility in the name of consultative democracy.

The problem and challenge of consultative democracy is how to ensure the popular and representative character of the people who participate in the consultation. Otherwise, negotiation can easily become a tool for some people to control the form of politics and the public opinion, and it will become out of shape and out of flavor. There is a danger of the political elites gaining control the negotiation process, which runs counter to the original wishes. Therefore, it is essential to make the participants truly “representative”.

Chapter 29

Responsiveness in the Policy Process



To put it simply, responsiveness is the most substantial element of democracy, so the various schools of democratic theory emphasize the importance of responsiveness. Only by “responsive” decision-making can there be consensus-based democracy. But, even when each decision-making action is responsive, why are there still some good and some bad? One of the reasons for this depends on the autonomy of the decision maker. The types of policies we have are, broadly speaking, first, policies that affect the overall situation, such as the aforementioned decision to deepen reform in an all-round way and the 13th five-year plan, which are not to be specifically discussed here; second, case studies of industrial policies, specific project-oriented policies, and engineering projects can describe specific mechanisms of government responsiveness, as well as the specific influence of social and capital power on political power.

29.1 Responsiveness in Industrial Policy: A Case Study of Real Estate Policy in 2003¹

In the summer of 2003, the Chinese real estate industry was quite dramatic. In June, the People’s Bank of China issued a “Notice on Further Strengthening the Management of Real Estate Credit Business”, announcing a number of tough provisions on the real estate industry, such as stronger supervision. However, two months later, the central bank’s policy was overthrown by the “Circular on Promoting the Sustainable and Healthy Development of the Real Estate Market”, which was drafted by the then

¹ The case was taken from a master thesis which I advised, He Xin. 中国利益集团与公共政策的制定: 以房地产商为例 (Interest Groups and the Formulation of Public Policy in China: A Case Study of Real Estate Companies), master thesis, Department of Political Science, Renmin University of China, 2011.

Ministry of Construction and issued in the name of the State Council. This is a major turn of events that the real estate industry is always talking about, because it is the first time that real estate interest groups made a serious appearance, and the first feat that successfully reversed public policy. It can also be seen as a classic example of the relationship between government and business. Let us look at how business groups influenced the government and how the government responded.

(1) The issuance of the central bank document No. 121

Since the second half of 2002, there have been some structural problems in some areas of China, such as exceeding high increase of real estate investment and the house prices are rising too fast. In order to seize market share, commercial banks in some areas relaxed credit requirements, which to a certain extent, contributed to the overheated trend of real estate investment in some areas (Zhang & Li, 2003). Therefore, the central bank and even the State Council issued several “early warnings”: On August 2, 2002, the central bank released its second-quarter monetary performance report, proposing to “prevent a real estate bubble”; on October 24, 2002, the central bank released its third-quarter monetary performance report, seriously reminding the “commercial banks to guard against the emergence of real estate bubble while supporting the development of real estate industry”; in November 2002, when Zhu Rongji, the then premier, met with leaders of Chinese-funded institutions in Hong Kong, he caused a stir by publicly criticizing for the first time the overheated property market in some mainland cities. Subsequently, the central bank and the Ministry of Construction began to conduct a major inspection of real estate credit, “signs of overheating have been obvious, and the central bank has been patient and patient” (Zhang & Li, 2003).

Thus, on June 13, 2003, the People’s Bank of China issued the “Circular on Further Strengthening the Management of Real Estate Credit Business (Bank issue [2003] 121), commonly known as “Central Bank document no. 121”. Its core contents include: when real estate development enterprises apply for bank loans, their own funds (refers to owners’ rights and interests) should not be less than 30 percent of the total investment in the development projects; real estate loans granted by commercial banks shall not be used across regions; commercial banks shall not issue loans to real estate development enterprises for the payment of land transfer fees. For individual housing loans, Central Bank Document No. 121 stipulates: Commercial banks can only grant personal housing loans to individuals who are buying a house in a building under construction which has been capped. The mortgage to loan ratio of a borrower applying for personal commercial housing loan shall not exceed 60 percent and the maximum term of the loan shall not exceed 10 years; the proportion of down payment shall be raised appropriately for the purchase of more than one house (including second house) (The People’s Bank of China, 2003a).

(2) The reaction of the real estate industry

As soon as the policy came out, the real estate industry became panic-stricken. First of all, the real estate developers were extremely frightened. Ren Zhiqiang, then the Chairman of Huayuan Real Estate Co. Ltd., pointed out in the *China Real Estate*

Credit Policy Forum that the Central Bank's document No. 121 was a "anti-rich" policy, and will prevent people from moving from poverty to wealth, which means that "the real estate winter is coming, and possibly the banking winter". On June 19th Pan Shiyi, Chairman of Soho China, wrote an article entitled "Twenty Possibilities in the Central Bank's Document 121" (Pan Shiyi, 2003), which he described as the most draconian policy on the property sector in a decade, and cited the document's policy consequences, none of which were positive, and expressed concern that the document could have a huge impact on the real estate industry. Commercial banks have mixed feelings about the Central Bank's new policy; "We commercial banks are not sure what to say about the Central Bank's document No. 121. Implementation is to be carried out, but the key is to see the effect." Given that mortgage loans are an important profit growth avenue for commercial banks, commercial banks are reluctant to scale back loans to developers. People related to the China Real Estate Association said that, although they understood why the central bank guarded against financial risks, but "If we do what the central bank tells us to do, there will be a number of weak development companies that will definitely be eliminated" (Yuan Yihong, 2003a).

On June 17, the *The Economic Observer* and the All-China Federation of Industry and Commerce held a forum with the original theme "Focus on Healthy Living, Focus on Healthy Cities", but the focus was all on the Central Bank's document No. 121, and the various statements made at the forum were published through media channels to put pressure on the government (Ren Zhiqiang, 2003a).

On June 24th, Chamber of Commerce for the Residential Industry of the All-China Federation of Industry and Commerce held a symposium. Although the symposium was called "Symposium on the Current Self-Discipline, Development Trends and Hot Financial Issues of Real Estate Industry," the central bank document 121 was the only hot topic of discussion. Rotating Chairman Ren Zhiqiang read out a consultation paper on the central bank's policies at the meeting, which he hoped would serve as a basis for soliciting input from various sectors of the industry and eventually make written recommendations to the central government. The real estate industry was trying to get together and speak with one voice, as property developers put forward their viewpoints one by one on the harsh central bank's document 121 (Zhang & Li, 2003).

On August 16, the *Beijing Youth Daily*, together with the *Banker Magazine* and the Financial Research Institute of the Development Research Center of the State Council, co-hosted the "China Real Estate Credit Policy Forum", Central Bank officials, heads of major domestic commercial banks, some real estate developers and experts and scholars attended. At the forum, not only real estate developers grumbled, but representatives of commercial banks also disagreed with the policy of tightening mortgage lending. It could not control risks, said Zhan Xiangyang, director of the Industrial and Commercial Bank of China. Shi Jing, Deputy General Manager of Risk Management Department of Bank of China, proposed that the real estate needs comprehensive governance, and the central bank's practice of controlling the real estate industry is bewildering.

On August 24th, property developers gathered again at the Bo'ao Twenty-First Century Real Estate Forum, where they accused the Central Bank of tightening monetary policy and said China's property sector was not overheating, instead, the central bank had hindered the normal development of the real estate industry (Mo Chengxiong, 2003).

At that time, the direction of public opinion was dominated by real estate companies, commercial banks and real estate associations. Except for a few scholars and central bank personnel who supported Central Bank's document No. 121, most people held a wait-and-see attitude or a negative attitude. As a matter of fact, the central bank did not put forward detailed rules on how to implement the loan except for document No. 121, and various commercial banks and local people's banks did not formulate supporting detailed rules on the implementation of the loan for house purchase. Therefore, it can be said that the central bank document 121 was "big thunder, little rain". With the introduction of the State Council Document 18, the Central Bank's document No. 121 was abruptly stopped and ended up not having any substantive impact on the real estate industry.

(3) The issuance of State Council document No. 18

On August 31st, the State Council issued a notice on promoting the sustainable and healthy development of the real estate market (State issue [2003] No. 18, document 18 for short). Compared with the scene of complaints from the industry after the release of the central bank's document 121, document No. 18 was well received by the industry. Central bank document No. 121 on the real estate industry was the guiding spirit of "strict control", while document No. 18 was "to promote healthy development". The document no. 18 fully affirmed the development of the real estate market that has "played an important role in driving economic growth and improving people's living standards," which is much more positive than the central bank's document 121, which said the real estate market was overheated and there was a bubble. In addition, document 18 held that the real estate industry had become a "pillar industry of the national economy", stressing it would "continue to increase credit support for qualified real estate development enterprises and real estate projects" (State Council of PRC, 2008).

The core of document No. 18 is to invigorate the real estate market, which has undoubtedly given real estate developers a reassuring feeling. They all applauded, saying they were "very satisfied" with document 18 and calling it a "victory for marketization" (袁一泓, 2003b). But why were central bank and State Council policies so different in just two and a half months? "After [document 121] was published, public opinion bombarded and criticized the document, and the whole policy regulation turned," Wu Xiaoling, then deputy governor of the central bank, recalled in 2008 (Wu Xiaoling, 2008). In this short period of two months, individual property developers and their associations had gone to great lengths to prevent the central bank's document 121 from taking effect: Frequent appearance of industry figures, various forms of seminars and symposiums and mass organizations played an active role in organizing. Newspapers, magazines and other media followed up opinions from all walks of life. Public opinion had exaggerated the possible impact of this document

on the real estate market, and these practices turned out to be highly effective—The central bank was only issuing a guideline, and the commercial banks did not have specific implementation rules, which had no substantial impact on the market, but judging from the general atmosphere of public opinion at the time, the document gave the impression that it was like a monster in flood waters.

Finally, compared to the situation where no one had responded to the central bank's document No. 121 and commercial banks had shied away from drawing up specific implementation rules, after the release of the State Council document No. 18, it is said that it formed the effect that everyone picked up firewood and the flame was high. Real estate developers not only applauded, but also gave advice on how to promote the development of the real estate industry, so that follow-up concrete measures were quickly put in place, even Wang Shi, Vanke's previously reticent chairman, could not contain his excitement and offered suggestions on how to implement State Council document No. 18.

(4) Factors influencing policy

The reason for the emergence of two very different documents one after the other, on the one hand, it was the result of a game of interests between the central bank and the then Ministry of Construction; on the other hand, it was due to the operation of the real estate business. In retrospect, Ren Zhiqiang said that traditional policies were often carried out inside isolated government compounds, after the order to "reduce state-owned shares" was voted down by shareholders with their feet, the government was becoming more democratic, more market oriented, more relevant and more down to earth. When the central bank's document No. 121 aroused strong dissatisfaction and opposition in the market, the State Council cautiously conducted in-depth investigations, and after fully grasping the first-hand situation, seminars were held for government, administrative departments, executives of related industries and grassroots enterprises in order to give more opportunities for the market operators to express their opinions. Policy advice was introduced after views of all parties were actively heard, so that the document was more in line with the different management departments and stakeholders reflecting the actual market conditions (任志强, 2003b).

Although document No. 18 was issued in the name of the State Council, the specific drafting work was completed by the Ministry of Construction. There are reports that the central bank's document No. 121 was issued "behind closed doors," and "the central bank had never consulted with the Ministry of Construction during the formulation of document no. 121" (Yuan Yihong, 2003b). The central bank stressed that the document was based on the continuing overheating phenomenon in the real estate since 2002 and issued a prudent decision; however, the outsiders, especially the real estate industry, accused it did not fully listen to the views of all parties concerned in the brewing process, and its pessimistic view of the real estate industry was also wrong. From the perspective of promoting the development of the real estate market and encouraging real estate investment, the Ministry of Construction also complained about the central bank's document No. 121, and in the meantime, the central bank and the Ministry of Construction disagreed on whether

the sector should be encouraged or reined in. Gu Yunchang, then Vice Chairman of the China Real Estate Association, told the media that in June 2003, a concerned state department (the then Ministry of Construction) was drafting a document on behalf of the State Council aimed at promoting real estate development. While agreeing with the purpose of the central bank's document no. 121, the Ministry of Construction had its own views on some of its specific provisions, mainly the "one-size-fits-all" approach of the central bank's document and the practice of restricting housing consumption credit, "We will reflect our views through appropriate channels" (袁一泓, 2003b). Those comments were eventually reflected in State Council document 18, which freed the real estate industry from the shackles of the central bank's document 121. The central bank resisted pressure from interest groups to issue the document, but then it was defeated in a powerful siege by departments concerned and real estate developers, and the central bank's document no. 121 was shelved. Dai Genyou, Head of the central bank's Monetary Policy Department, who led the document's introduction at the time, was also transferred to a sinecure.

In this incident, the real estate business was undoubtedly the biggest winner. On the one hand, real estate magnates frequently bombarded the central bank's document 121, for example, Ren Zhiqiang's "The Winter for Chinese Real Estate is Coming", "The New Policy of the Central Bank is a Policy of Hatred of the Rich", and Pan Shiyi's "20 Possibilities Presented by Central Bank Document 121", all had a great impact on public opinion; on the other hand, organized real estate companies made substantial progress in their actions, successfully influencing the introduction of public policies. Various real estate associations, represented by the Real Estate Chamber of the All China Federation of Commerce and Industry and the China Real Estate Association, held various seminars and symposiums to refute the central bank's assertion that the real estate industry was overheated, opposed the Central Bank's strict "one-size-fits-all" approach, and held that the mainstream of the real estate industry was healthy development. Most critically, most of the leaders of the real estate associations headed by the two Chambers were former leaders of government-related agencies, and they had close ties with government agencies, and had a voice and considerable influence in the process of public policy-making. In addition, these associations, such as the Real Estate Chamber of Commerce, enjoyed the right to "petition" the State Council directly, and they advised the government at the highest level in this way.

Speaking at the Bo'ao Real Estate Forum in 2003, Ren Zhiqiang said that at the end of June 2003, in his capacity as the rotating chairman of the Real Estate Chamber, he wrote two reports on the central bank's document 121 on behalf of the chamber, one of which was handed over by the Central Department of United Front to the Central Committee, and the other was sent directly to the Central Committee. "It now appears that there has been obvious feedback on the reports". One piece of evidence is that prior to the formulation of the document "Notice on Promoting the Sustainable and Healthy Development of the Real Estate Market", relevant departments of the State Council had convened a forum attended by representatives of developers and listened to developers' views; "after the colloquium, the document might have been revised by 50%" (The People's Bank of China, 2003b).

(5) Summary: What kind of consensus?

This case is important for the direction of China's political development. First, the main body of the "response" changed from the central bank to the State Council, actually to the Ministry of Construction, which means that the relationship between government and business had evolved into departmental politics. Second, the relationship between the Ministry of Construction and real estate interest groups was self-evident, the Ministry of Construction as the government authority was actually the protector of real estate enterprises. As a result, the "response" of the interest community was naturally rapid but not necessarily objective and scientific. Practice has proved that it was disastrous and the central bank rules were vetoed. Therefore, responsiveness is important, but just as the passive response in Western politics leads to all kinds of interest group politics, this time there was no "autonomous" response. Although it was an effective interaction between officials and the people, the price had to be more large-scale "people" to bear the abnormal housing prices.

29.2 Responsiveness in Project Policy: A Case Study of the PX Project²

The construction of engineering project is a necessary item in the process of national development, and it is also one of the most common problems in the local government and politics. As the main policy setting, local governments seek development through project introduction and construction, and the project policy agenda becomes an important part of the agenda of local governments.

This type of policy problem is often caused by certain kinds of problem that appear or may appear in the course of the project construction, such as the collective relocation involved in the project construction, the interest disputes caused by the site selection of the project, as well as the environmental impact of public concern and social response. As industrial projects are often major local investment projects, on the one hand, they have a significant contribution to local economic development and employment; on the other hand, their specialized areas are also urgently needed industries to supplement gaps and increase production capacity. Because of the huge size of industrial projects, the decision-making process often involve numerous participants, many local departments and industries, including enterprises, governments, people, environmental impact assessment agencies and so on. At the same time, the scope of direct influence of the project policy agenda covers the project construction site where the neighboring residents are the groups with direct interest in the project, thus making it easy to form the local social topic of universal concern.

² Information of this case is taken from the master's thesis of Jiang Tianyu, 中国政策议程设置中的压力一回应模式研究 (A study on the pressure-response model in the setting of China's policy agenda), Department of Political Science, Renmin University of China, 2014, the advisor was Guangbin Yang.

In recent years, the PX project³ has become the focus of attention. Paraxylene (PX) is an important chemical raw material which China has a huge demand gap for, so the introduction of the PX project is of great significance to the local economy and to the filling of the capacity gap of the national chemical industry. However, since the Xiamen Haicang PX project in 2007, the landing dilemma of PX project in China has become a typical case in the policy agenda of Chinese local government chemical projects.

As the beginning of the plights of the PX project, Haicang PX project in Xiamen has been called “the biggest industrial project ever”. As early as July 2005, the Ministry of Environmental Protection of the People’s Republic of China issued an EIA report on Haicang PX project, which was reviewed and approved. In July 2006, the project was approved by the National Development and Reform Commission, and construction began in November of that year. In December of the same year, several scholars, led by Zhao Yufen, an academician of the Chinese Academy of Sciences, opposed to the project, saying that the PX project had the potential to be hazardous and polluting, and should not be built there. She explained that the distance between the center of the Xiamen PX project and Gulangyu Island was only 7 km, and that the area was densely populated, with a population of more than 100,000 within a 5-km radius of the project. She had held talks with key leaders in Xiamen but made no progress at the time.

In March of the following year, at the “two sessions” of the National People’s Congress and the Chinese People’s Political Consultative Conference, Zhao and 105 members of the National Committee of the CPPCC signed a proposal for relocating the PX project to a less densely populated and more remote area. That call triggered a public agenda for the media and public opinion, with all kinds of information appearing centrally among the local media and the public. In May, many residents of Xiamen received text messages saying that the Haicang PX project started by Xianglu group was a “highly toxic chemical”, and that once produced it would be equivalent to dropping an atomic bomb on Xiamen; the messages continued to say that Xiamen was only 16 km away from the project, contrary to the “international requirement that the PX chemical plant should be at least 100 kilometers away from the city”. Subsequently, this became the “million text messages” incident of “we want to live, we want to be healthy!” (China Youth Daily, 2007), and was reported by Nandu online, and well-known websites such as Netease and Tencent also reprinted the news in a prominent position (Xue Zijin, 2008: 17–21). At the same time, the same content was widely spread in forums and blogs frequented by Xiamen residents. In a short time, Haicang PX project formed a strong public agenda, which pressed and shifted to policy agenda.

³ PX project, p-xylene chemical project. p-Xylene, abbreviated as “PX”, is a derivative of benzene, which is an important raw chemical material, and common raw material in industry. It is mainly used in the manufacture of terephthalic acid, and can be used in chemical and pharmaceutical industries. Its output is a symbolic index reflecting the level of national chemical industry.

Local governments react quickly to pressure messages. On May 28, 2007, the Director of Xiamen Environmental Protection Bureau responded to the questions about Haicang PX project in *Xiamen Daily* by answering questions from reporters. The next day, Lin Yingzong, General Manager of Xiamen Tenglong Hydrocarbon Co., Ltd., which was in charge of the PX project, published an article in the *Xiamen Evening News* and explained some scientific problems of the PX plant by answering questions from reporters. On May 30, Ding Guoyan, then executive vice mayor of the Xiamen municipal government, held a press conference to announce that the Xiamen municipal government had commissioned a new authoritative EIA agency to expand the scope of the EIA beyond the original scope, the whole chemical zone for regional planning environmental impact assessment, and announced the municipal government would “delayed construction of the PX chemical project”, and started sms, fax, telephone, E-mail and other channels to fully listen to the views of the public, and answer questions. In the afternoon of March 31, the main leaders of Xiamen went to Fuzhou to report to the leaders of Fujian Province on the progress of the PX project, as well as the recent public reaction and government response. In response, the Fujian Provincial Party Committee urgently held a special seminar to discuss the solution and response to the problem.

So far, local governments have taken corresponding measures to address the social issues on the public agenda. However, while these measures answered questions to a certain extent, they could not eliminate the rapidly accumulated social pressure in a short period of time. Then on June 1 and 2, some Xiamen residents expressed their opposition in the form of a “walk” in front of the Xiamen municipal government. This demonstration aroused national attention, and brought pressure to the local order, security and other aspects. In the face of social protest, the government responded further: On June 7, Pan Yue, deputy director of the Ministry of Environmental Protection of the People’s Republic of China, announced that work on a regional planning and environmental assessment for Xiamen would soon begin, and heavy chemical projects including PX projects would be re-evaluated based on the results of the EIA. So far, the Xiamen PX incident came to an end for the time being, and the government further distributed 250,000 free copies of the popular science book “What You Know about PX” to the public. Under constant pressure from the views expressed by the society and the public, the government also tried to find ways to channel public opinion: On December 8, *Xiamen Online* launched a voting platform for the “public participation campaign for environmental impact assessment report online”. At the close of the voting, 55,000 votes were cast against the construction of the PX project, with only 3,000 in favor. On December 13, the Office of Xianglutenglong Group released an “Open Letter from Xianglutenglong Group to Xiamen Citizens” through the media, and the Xiamen municipal government also held a forum for citizens. As the most important part of public participation, this segment attracted attention of media including central-level media such as Xinhua News Agency. At the town hall meetings that day and the following day, the vast majority of the people said they were against the PX project.

Finally, under the combined effect of government guidance and public participation, the decision on Haicang PX project site was made. On December 16, the Fujian Provincial Government held a special meeting to discuss and make a decision on the Xiamen PX project, and finally decided to move the PX project.

Looking at the Xiamen Haicang PX incident, we can see that there is an interactive relationship between the public and the government. After each party has taken action, both sides should take into account the other party's actions and consider the effectiveness of their own actions before taking the next step. When the public finds that their actions can influence the policy agenda and that intense action can create more pressure, they choose to use social protest as a means of exerting pressure, and the government responded to this action: "If the people say no, the government won't do it".

Since then, in 2008 in Chengdu, in 2011 in Dalian, in 2012 in Zhenhai, Ningbo, and in 2013 in Kunming, Chengdu and Maoming, Guangdong, there have been civil disorder of boycotts of PX projects, and it is fair to say that PX has become a hot potato for local governments everywhere it goes: The PX project in Maoming, Guangdong was approved by the National Development and Reform Commission in 2010 and included in the national 12th five-year plan. In February 2013, the main leaders of the Maoming municipal government went to Jiujiang to learn from their experiences in pushing the PX project, organizing local media conferences and so on, apparently aware of the problems that the PX project could cause, but in the end, there was still strong opposition and a repeat of the hit-and-quit situation.

"Disturbance" is the expression of social pressure in the form of social struggle, strongly paroxysmal, with strong pressure, and often has a significant impact on the policy agenda. The impact on and change to the government's agenda brought about by such social pressure have resulted in the abortion, suspension or relocation of PX projects in many places.

However, in fact, there is no international regulation that a PX chemical plant should be 100 km away from residential areas (杜莎, 2015), even major chemical projects in many countries are not located away from residential areas: The PX plant at Exxonmobil Refinery on Jurong Island, Singapore, is 0.9 km from residential areas, and the PX plant in its petrochemical district is only about 10 km from the central urban area (中国网, 2014); the PX plant at the NPRC refinery in Yokohama, Japan, is separated from the residential area by a single highway. The PX plant at the Chiba Petrochemical Complex is located only 8 km from downtown Chiba. The PX plant in Houston, USA is located 1.2 km from downtown, and the PX refinery in Rotterdam, Netherlands is located 8 km from residential areas (科学网, 2014) because of production and transportation needs, PX projects are often built next to the water and are therefore located in densely populated and economically developed areas.

But at home, most of the residents in these areas are urban residents. Out of panic, rising and falling house prices, living conditions and other demands, they oppose the

project constructions, the development of these regions has moved towards the “post-materialism values” put forward by the Ronald Inglehart, that is, after the realization of basic economic rights, people’s ideas have shifted to the realization of non-material rights, such as, environmental protection and health, while the social pressure caused by the demands of these urban residents is in contradiction with the production capacity demand of the major chemical projects represented by the PX project. As a result, the voice for PX projects to be moved away from the city is very strong, which makes some PX projects, represented by Haicang PX project in Xiamen, move to areas farther away from the original planned site. At the same time, the neighborhood avoidance movement triggered by the PX project always received a response from the government, and projects that encountered social resistance and opposition were eventually withdrawn, suspended or postponed (see Table 29.1), which represents the government’s compromise and response to several social pressures on the PX project in recent years. This in itself is the interactive result of the effective expression and pressure of the society on the government in the policy process, and the response of the government to the pressure is especially prominent in the project policy agenda.

Table 29.1 A list of recent PX projects, neighborhood avoidance and the government’s response in China

PX project	Time	Results of government response
Haicang, Xiamen	2007	Stopped in Lei Peninsula and moved to the Gulei Peninsula, about 100 km away from Xiamen
Fujia Dahua, Dalian	2011	Stopped and moved
Zhenhai refinery, Ningbo	2012	On October 28, 2012, the Ningbo government declared, “absolutely stop”
Yunnan Petrochemical Company, Kunming Petrochina	2013	Canceled
Maoming Sinopec, Guangdong	2014	A government spokesman promised: If the overwhelming majority of the public opposes, the Government will never make a decision against public opinion
Sinopec Shanghai Petrochemical	2015	The Shanghai Municipal Government held a public consultation meeting in Jinshan District. “After careful study, the municipal government asked the Shanghai Chemical Industry Zone Management Committee to terminate the planning and environmental impact assessment”

Chapter 30

Analysis on the Categories of Consensus Democracy



The second chapter deals with the industry policy and the project policy cases, relating to the top-level design of the decision on the overall deepening reform, as well as covering the “democratic talks” at the bottom level, belonging to the macro, meso, and micro domains respectively. In these cases, we say that China’s policy process is a consensus democracy, an ideal type in the normative sense, and a reality and an ideal type as opposed to a “majoritarian democracy”. Even the case for discussing consensus democracy in the sense of the ideal type should be further subdivided. First, all policy is problem oriented, or all policy is a response to pressure. Thus, “pressure-response” is the most common process in policy-making. Second, for policy analysis or political analysis, it is necessary to understand the types and magnitude of the pressures. Thus, there is a need to categorize pressure-induced consensus decision-making, such as how these “consensus policies” are reached and what mechanisms are used to achieve consensus decision-making? As far as the cases involved in this book are concerned, they can be roughly classified as “institutionalized consultative consensus”, “confrontation-response consensus”, “market-oriented pressure consensus” and “lobby-response consensus”, and different types of consensus have different political implications.

30.1 Institutionalized Consultative Consensus

The repetitive model of behavior is institutionalization, so institutionalization is not necessarily formal, but also non-political institutions, such as many conventional mechanisms, decision making cultures. The consensus reached by consultation based on this is institutionalized consensus. In China, the formulation of public policies and laws that affect the overall situation, as well as the various “democratic talks” that have taken shape, are typical institutionalized consensus. Much research has been done on democratic legislation and democratic talks, and I will not dwell on it here.

The decision by the Third Plenum of the Eighteenth CPC Central Committee in 2013 on deepening the reform across the board is a typical institutionalized consensus, though it is hard to describe the decision making process in detail, but the process of consultation and consensus can be seen in general secretary Xi Jinping's explanation of the reform decision. First, the consensus of agenda setting, as Xi said, "In April this year, the Politburo decided to study and make a decision on deepening reform in an all-round way at the third plenary session of the 18th Central Committee of the Party after thorough consideration and study, and after extensive listening to the opinions of all parties inside and outside the Party. On April 20, the Central Committee issued a 'Circular on Soliciting Opinions on Comprehensively Deepening Reform at the Third Plenary Session of the 18th Central Committee of the Party'. All regions and departments agreed that the third plenary session of the 18th Central Committee of the Party should focus on deepening reform in an all-round way, which complied with the wishes of the broad masses of Party members, cadres and the masses, grasped the issues of the greatest concern of the whole society, and generally agreed."

Secondly, consultation and consensus during the policy formation. Xi Jinping said: "In the nearly seven months since the drafting group was established, opinions have been widely solicited, thematic arguments have been conducted, studies have been carried out and revisions have been discussed repeatedly. During this period, the Standing Committee of the Politburo of the Central Committee of the Party held three meetings and the Politburo held two meetings to deliberate and decide on the draft decision. The draft decision on soliciting opinions was also circulated to a certain extent within the Party to solicit opinions, solicit the opinions of veteran comrades within the Party, and listen especially to the opinions of the leaders of the central committees of the democratic parties, the All-China Federation of Industry and Commerce and the independent politicians." "Judging from the feedback, all parties agree that the decisions of the plenary meeting... have brought together new ideas, new judgments and new measures to comprehensively deepen reform, and have reflected the voices, aspirations and expectations of the society, bringing together the ideological consensus and practical wisdom of the whole Party and the whole society on comprehensively deepening reform."

Finally, consensus-based centralism. As President Xi Jinping summed it up: "In the process of soliciting opinions, various parties have put forward many good opinions and suggestions. The Central Committee instructed the drafting group to carefully collate and study these comments and suggestions, and the drafting group made important amendments to the plenary decision" (习近平, 2013).

That is to say, from the setting of policy agenda to the formation of policy, it embodies consensus-based democracy. In the years before that, and especially in 2013, a third wave of reforms¹ and "top design" had been the common voice of the intelligentsia and the business circles, including the first meeting of the twelfth

¹ To be clear, the "third round of reform" proposed by Wu Jinglian on behalf of the China Economic 50 forum, which started in 2004, turned out not to have happened (See issue 5 of *Leadership Science*, in 2006, a report on "the great discussion on the reform has entered the stage of the third wave") If you think of the 1980s as the first round of reform, the 1990s as the second round, and the third round

sessions of the Chinese People's Political Consultative Conference in 2013, one of the main issues is the strong call for "top-level design" reform.

Similarly, policy-making such as the 13th Five-Year Plan, of which the policy process comprises at least five elements (Wang & Fan, 2013):

First, to conduct in-depth research and understand national conditions (mass line), from the ordinary staff members participating in the research all the way to the Standing Committee of the Political Bureau will conduct research and make suggestions.

Second, to do extensive consultation (mass line), can be with the departments, locals, industries, can also be with ordinary people, and solicit their views investigation.

Third, consultative decision-making and scientific decision-making (consultative democracy). China's policy process is relatively open, paying great attention to absorbing the opinions and suggestions of international research institutions and world-renowned scholars. Many international seminars have been held to discuss issues related to the formulation of the 13th Five-Year Plan, and international cooperation has also been carried out with UNICEF, Asian Development Bank, World Bank representative office in China and other agencies. There are a large number of foreign experts to provide advice, and more domestic experts.

Fourth, encourage public to make suggestions and offer advice (public participation), and when the draft plan comes out, put it on the internet for comments.

Fifth, decision making (democratic centralism). On the basis of extensive consultation, the competent department, i.e., the "planning" drafting group, formulates the draft plan for decision-making by the Party Central Committee.

Consensus on policy agenda—consultation in the decision-making process—concentration in the decision-making process should be a general process or institutional mechanism for the formulation of major public policies in China.

30.2 Confrontation-Response Consensus

The confrontation described in this chapter is about the PX project. Politics at home and abroad have taught us that social protest has become a normal form of politics, known in the United States as a "movement society", in which people take to the streets to protest no matter what the issue is. The question we have to ask is, how did the fight end? The Civil Rights Act of 1964, the result of a long and massive struggle by blacks, was what the world loves to talk about. But why haven't policies that have endangered the lives of countless people, such as the protests over gun control, come to fruition? Therefore, although the social confrontation is the normal politics, it does not mean that the corresponding policy results are inevitable. By comparison, according to the aforementioned study by Chinese American political scientist, Tang Wenfang, the Chinese government is more responsive to confrontation, more timely,

starting in 2013. See Yang, Guangbin. 第三波改革其实没那么难 (The Third Wave of Reform Is Not That Hard), Global Times, March 7, 2013; 《中国改革 2013 年报告》released by the China Reform 20 forum, said that 2012 was a watershed year for Chinese society and that reform would take off again in 2013.

and more likely to reach “reconciliation” or consensus. The response to the struggle, then, is a typical consensus democracy.

On the one hand, the Chinese government has been able to respond effectively and in a timely manner to social confrontations, because most of the events involved in these confrontations concern people’s livelihood. From the ten billion yuan odd PX projects and incinerators to the demolitions, land seizures and even the people’s indignation caused by the corruption of the cadres of a village committee, all are livelihood issues. One of the important characteristics of livelihood events is economic, local and individual (decentralized), and one-to-one negotiations and even confrontation with the government. For people’s livelihood projects, the government can generally solve by economic means. This is, by the nature of the event.

On the other hand, although most of the “civil disorder” with the nature of social confrontation are caused by the problems in the law enforcement of the grassroots governments, the people-oriented nature of the government should not be ignored. The people-oriented pursuit of Chinese governments at all levels is inborn, which is not only related to the tenet of “serving the people” of the Communist Party, but to the background of thousand-year traditional culture. The age-old tradition and the hundred-year pursuit of the Communist Party determine that the Party’s governments at all levels take responding effectively to the people’s aspirations as their greatest pursuit.

In fact, the people-oriented government should not only effectively respond to the problems that have arisen, but also take the initiative to respond even when there is no pressure on the implementation process, all of which are led by the people-oriented government, instead of reacting to the stress of the event. This is what the study of China’s policy process and even Chinese politics must pay attention to, otherwise will fall into the general pressure-response model of the Western political science.

It is precisely because of the effective response to a variety of stressful events, the Communist Party’s ability to govern, that is, the ability to govern the country is also being correspondingly enhanced. That is understandable. From the pressure of “civil disorder” to the pressure of internet platforms and mobile networks from the media that began to emerge in the early 2000s, such as the various “big V” networks, which the rulers are learning and adapting to while effectively promoting their own governance ability (Wang, 2016).

In a sense, this normal mechanism of interest expression is a win-win situation, in which the government’s ability to govern is enhanced, and at the same time the people also express their interests and have their problems resolved, thus, strengthening people’s trust and support for those in power, as noted before in an authoritative research, more than 70% of the people trust the government. Many scholars at home and abroad rely on imagination to understand China, such as according to the so-called Gini index, poor-rich disparity and the number of civil disorder, it is concluded that the growing dissatisfaction of the people with the government will trigger a “social volcano”. China has indeed experienced problems of social injustice such as polarization and serious corruption, but what real impact does this have on how people view politics? According to a 2004 survey by Harvard sociology professors and Peking University’s Center for China Studies, the first conclusion is that most Chinese

believe that the level of inequality across the country is indeed too high, but most people do not think the inequality in their local environment is too great. The second conclusion is that Chinese people believe that personal ability, not social inequality, is the main cause of the gap between the rich and the poor, and that Chinese people are comfortable with the current income gap and inequality. The general conclusion is that vulnerable groups in socio-economic status may be more receptive to social inequality, while dominant groups are more likely to be dissatisfied. Rural residents, migrant workers and laid-off workers may not be disgruntled and become the “social volcano” initiator. Professor Wyett therefore criticizes many foreign scholars for using their imagination to study Chinese politics (Wang Luozhong, 2013).

The indirect implication of this study is that the vulnerable social groups in an unequal position are also the main body of most “civil disorder”, and the nature of “civil disorder” is being easy to solve, so the socially vulnerable, who are the “victims” of the “civil disorder”, may also be trusted by the government. This is an international phenomenon. Who trusts and needs the state the most? The lower classes, of course, and from the European Union membership referendum of the United Kingdom to the 2016 election, all illustrate this point.

30.3 Lobby-Pressure Consensus

In China’s decision-making system, the central government, because of its detached status of interests, coordinates all parties, and can effectively carry out institutionalized consultation to reach consensus democracy. Local governments, especially the grassroots governments (including governments of the counties and city directly under provincial control), can reach consensus democracy in responsive interaction as they are in the front line of the people’s livelihood policy and are facing the pressure of social resistance at all times. But the government departments have become the object of industries’ or industry interest group’s lobbying because they hold the power of profession policy and industry policy. The industrial policies kidnapped by the interest groups cannot be regarded as consensus-based democracy, but the opposite of consensus-based democracy.

In terms of the real estate case in this chapter, the policy process from the central bank’s document No. 121 to the State Council’s document No. 18 is in fact a process of cooperation between the competent authorities and real estate interest groups against the central bank, but the biggest stakeholders, the consumers, are nowhere to be seen, i.e., the vast majority of consumers, the public, have no say. It is highly unusual to have a policy concerning the best interests of the people with only special interest groups and industry authorities, without the participation of the people. As a result, the victims are still the people, and the biggest winners are undoubtedly real estate developers. This policy process was originally a triangular relationship: real estate agents—competent authority—the public, but actually only two parties of the game, namely real estate agents and competent authority are involved. In the process, real estate developers also mobilized the media and economists, from which

they derived untold benefits. In the West, the media is regarded as the “fourth power”, that is, the so-called impartial watchdog of power. But both the US election in 2016 and the series of extortion cases reported by financial media since 2013 have shown that the media are often stakeholders. Similarly, the academic research produced by the scholars is considered to be non-interest related and neutral, but in this case the scholars have become agents of real estate.

If a foreign concept is used to describe this policy process, it is “conspiracy”, “collusion”, decision-making departments are “captured”. In other words, the competent authorities have lost the autonomy that the government should have. This is one of the most common and dangerous conditions in a market economy. As special interest groups grow too big to fail, the political process in the US has become a game of special interest groups between elections, with “lobbying” being essential to almost all policies. In such an institutionalized decision-making process, the voice of the weak is often suppressed by powerful interest groups, resulting in a “captured government”, mainly for the powerful group services. So even if the Chinese government advocates a “service-oriented government”, it must be cautious and ask who the government is serving. In a market economy in which interest groups are everywhere, the government’s primary service object is undoubtedly the interest groups, and special interest groups have various direct or indirect channels to influence decision-makers.

The conclusion is necessarily that only the consensus reached by the “four parties” (the public, the project principals, the experts and the government), instead of the organic combination of the “three parties”, can be regarded as the real consensus-based democracy.

30.4 Summary: Levels of Consensus-Based Democracy

In the political process in China, the political actors are the state (including the Central Committee of the Communist Party of China, the National People’s Congress and the State Council), local governments (including provincial governments, city governments that govern counties), grassroots governments (including county and township governments) and government departments, the degree of consensus-based democracy is different in the decision-making process among the agents of different levels or attributes.

- (1) High consensus decision-making of high autonomy subjects. China’s “state” is a highly autonomous actor, as opposed to the separation of powers, partisan democracy in which interest groups hijack the political process, while “Zhongnanhai” (that is, the central government), as foreigners call it, is rarely subject to the local, and especially interest groups, let alone “kidnapping”. Therefore, the decision to deepen reform in an all-round way, the 13th five-year plan and the legislation of the National People’s Congress are basically consensus-based democracies based on consultative democracy. In particular, it is worth

pointing out that this consensus-based decision-making through consultative democracy is not the result of any external pressure, but rather an innate political culture. The mass line is a policy process that cannot be ignored, and consultative politics has been a long political tradition in China, so much so that the new CPPCC emerged first in the process of founding the People's Republic of China, followed by the National People's Congress in 1954.

Therefore, the major decision-making process of inter-party consultation, consultation between the Party and the masses is not so much a system, but rather a culture or "informal system". However, in the process of observing Chinese politics, it is difficult to obtain detailed information about the policy process because of it being at the highest level which is difficult to demonstrate, as such, this most influential decision-making model has been abandoned or "ignored" by the academic community. By contrast, the "veto politics" of opposition can be seen in detail in the Western policy processes that can affect the big picture, such as former US president Obama's healthcare plan and the trans-pacific partnership (TPP).

The comparison between consensus democracy and veto politics at the national level is significant. The differences between political systems are reflected not only in the political form, which in fact is superficial, but also in the policy process or the political process. The difference of the political process can better explain the difference of the form of the system and the various consequences resulting from it.

- (2) Consensus-based democracy with low autonomy. As opposed to the role of the state, which is far away from specific people (markets) and events (projects), at the time of economic construction which was the center of focus, and even today, local governments live in the markets and deal with micro-market subjects every day, investment promotion is the first priority of city and county governments, and "GDP doctrine" is still one of the most important indicators for assessing cadres. This is the result of institutional pressure on local governments, and the resulting competition among them, as what Steven N. S. Cheung calls "county level competition" has been the source of the success over the past few decades. In addition, "investment promotion" is not only a kind of benefit, but also a kind of culture, such as overseas Chinese affection for their hometown and the investment that comes from it. The prosperity of the Pearl River Delta has much to do with this. For the regions without these innate cultural advantages, "soliciting business" is actually a process of emotional contact, which is determined by China's "humane society".

The "pro-business" caused by the system pressure and "humane relations" in the cultural roots have formed a complicated "political-business relationship", in which local governments can hardly be as detached as the "state"; as a result, their autonomy is naturally not as strong as that of the "state". However, the cadre appointment system and the mass line system have determined that local governments at all levels should not only improve their relations with businessmen, but also be responsible to their superiors and the people; therefore, there must be relative autonomy, or belonging to a relatively low autonomy in the high degree of autonomy. Low-autonomy government

policies, especially project policies, may be more “pro-business” and creating conflict of interest with the local people, resulting in civil disorder.

The tens of thousands of civil disorder cases each year show that the Chinese people are not afraid to express themselves through political action, while the central or local governments are always actively involved in mediating the civil disorder, a consensus-based democracy is the ultimate solution that is acceptable to all stakeholders including local governments. How to understand this “democracy” which is difficult for foreigners to understand? In the popular theory of liberal democracy, no competitive party confrontation is not democracy, and without democracy, people have no freedom including the freedom to struggle. However, China is in fact one of the countries with the most frequent social confrontations. How to understand this “paradox”? According to Professor Tang Wenfang, this is because political movements in history, including mass movements during the “Cultural Revolution”, nurtured the spirit of participation of the people, so the people are not afraid of expressing political action. Related to this, the mass line ideology of the Communist Party also determined that governments at all levels must respond proactively to the various demands of the masses; interestingly, and objectively speaking, the central government can also use this to test its policies, clean up its unqualified officials, and reconcile social and economic interests, the most important thing is to be able to continue to increase political support for the regime. The reason is that in the one-party-ruled China, the legitimacy of the ruling party means that it represents the interests of the majority of the people, rather than competing for democracy in which each party represents its own group, making the Party very conscious of its own image; even a small number of people in the streets protest would be taken seriously. This forces the system to spend a lot of time and energy gathering public opinion and responding to it. The Chinese government has a variety of channels to collect and respond to public opinions, including Xinhua, an important channel for the Chinese government to collect public opinions, and local governments have also taken the initiative to set up websites to collect and respond to public demands. This is an active response. A passive response is to reconcile with the social confrontations; a survey of more than 500 protest participants from 2003 to 2010 by American Scholars Tong Yanqi and Lei Shaohua found that the Chinese government tolerated or gave in to more than 90% of popular protest practices² (Tang, 2016a).

In the context of this book, the consensus-based policies of low-autonomy local governments are achieved through the interaction of social confrontations which is a kind of passive consensus, as opposed to the consensus-based democracy achieved through the active negotiation of high-autonomy actors. Passive consensus has certain social costs, including the cost of trust in local governments. Many studies have shown that civil disorder has different implications for different levels of government, that is, it reduces trust in local governments but increases trust in the central government. This contrast also suggests that people may suspect that low-autonomy local governments

² Wenfang Tang, *Populist Authoritarianism: Chinese Political Culture and Regime Sustainability*, Oxford University Press, 2016.

and businessmen share related interests, and the high “state” belongs to the traditional political culture of the “blue heaven”.

- (3) The consensus-based democracy of the competent governmental department authorities to be constructed. If the “state” is the detached role, and the local government is the role of the triangle in the “government-business-people” relationship, while the competent government professional (industry) authorities are mainly faced with the “business” (including the local government as the main body of interests), is contest or a collusion in the West. As a result, its relationship with the “business” is both simple and significant, and the process is more complex for the different types of policies of the different authorities; as such, it is worth further discussion as to whether it meets the criteria of consensus democracy.

In addition, the Ministry of Transport’s policy process of legalizing Didi cab and private cars is a typical market-oriented, pressure-based consensus democracy, since the beneficiaries are the vast majority of consumers. Legalization is largely due to the absence of another stakeholder, for example, that there is no trade union in the taxi hailing market to play the game, so policymakers can legalize it quickly, after consulting with Didi taxi and academics. By contrast, where there are strong taxi unions, such as in Hong Kong and parts of Europe, there is much greater resistance to legalizing such “new things”. In any case, such policies can be seen as market-driven, pressure-driven consensus democracies.

Secondly, the real estate case involved in this book is a typical “collusion-type decision-making”, that is, a game of cooperation among the competent authorities, real estate business only, and some of the scholars and media for specific interests; the excluded is the direct stakeholders, i.e., the vast majority of consumers.

Finally, the issues of energy projects and pricing power, for example, can be seen as a “captive decision”, as evidenced by the near total annihilation of the National Energy Administration and the National Development and Reform Commission’s pricing department, or total buy-in of the executives by the corporations, as a prisoner of the enterprise. A thought-provoking phenomenon is that if all thermal power projects are finally approved by the Energy Bureau, then what is the point of this “approval system”?

In short, from the limited number of cases and types of cases covered in this book, at least the following conclusions can be drawn: first, it is the central government (including the NPC), which represents the state, that is best able to make decisions in accordance with the principles and institutions of democratic centralism, the root cause is the ideology of mass line, which serves the people. Second, local governments, which are under pressure from the local population, have to be cautious and pay attention to the interests and opinions of the people. It is the competent authorities who need discipline the most. First, like the bureaucracy of any country, the Chinese government departmental authorities have their own bureaucratic autonomy and are not directly subject to pressure and constraints from higher authorities within their jurisdiction; at the same time however, while not directly facing the people, they deal

directly with the subjects of interest (i.e. enterprises or local government), thus the possibility of their being captured is very high.

Second is democracy in decision-making. The prevailing view of democracy in the West is vertical democracy, in which politicians are elected from the bottom up. Vertical democracy in political life is important, but political life is multi-dimensional—there are also horizontal dimensions. Most of the democracies in the decision-making process are horizontal democracies, and some are embedded with vertical democracy. For example, legislation that concerns the whole situation has both horizontal and vertical democracies. Horizontal democracy is a consultation between different institutions at the same level, vertical democracy is a process of collecting opinions through the participation of the network; the decision-making of local government is more a kind of horizontal democracy, while the decision-making of departments is often a kind of vertical democracy, that is, the decision-making power of the competent departments over the subordinate enterprises and industries. As a result, vertical democracy in the decision-making process is full of problems. The problem of vertical democracy is also reflected in electoral politics in Western countries, especially in heterogeneous cultures. The lesson here is that horizontal democracy is an equal and therefore negotiable democracy, and it is easier to reach consensus; vertical democracy is an unconstrained democracy, with unpredictable outcomes, such as the majoritarian democracy in the West, as well as the consensus type, collusion type and capture type in the Chinese departmental decision-making. Therefore, how to improve vertical democracy seems to be a common problem for all countries.

Third is how to avoid captive policy. After all, democracy is about the equal rights of individual citizens and the right to participate in political affairs. When political life cannot be separated from capital power, how can we avoid “conspiracy” and “collusion” between government and business, and even the capture of the government, is the number one question in democratic politics. Where the capital power is in control, there is no democracy, or talk of democracy without the power of capital is self-deception. In a typical capitalist society, that is, capital power is in charge, and there is no force that can restrain it, no matter how developed a form of democracy is; as long as capital power dominates, democracy becomes market democracy or capital democracy, there is no “people’s democracy” to speak of. In a socialist market economy society, there is capital power, which can conspire with, collude with, and even capture the competent authorities, but there is also a power above capital power, that is, the autonomous state that can represent the whole people, making the “people’s democracy” possible. However, the relationship between the autonomous state and sectoral politics is very complicated, and the state cannot restrain the administrative departments with bureaucratic autonomy everywhere, thus making it possible for the administrative departments to adopt conspiratorial policy, collusive policy and even captive policy. In order to avoid these adverse consequences to the maximum extent possible, one way is to attack a problem at its source, i.e., reduce the number of the competent authorities and cut down the resources available to the authorities.

Part VIII

Models of Democracy: People-Oriented Democracy and Governable Democracy

In the conceptualized world politics, the debate about the mode of democracy is in fact the debate about the mode of politics, the mode of system and the way of politics. In this way, the dispute about the mode of democracy is also the dispute concerning the power of discourse and the power of standard. Liberal democracy was once promoted as a universal value, but “The end of history” has come to an end, and world politics has entered the “no man’s land”. Against this background, Chinese thought and Chinese experience become the important resources of constructing the new democratic pattern. Accordingly, we propose the governable democracy as a practical model of democracy. If “liberal democracy” is a value model with strong color of values, “partisan democracy” is a practical model to realize this value model. Accordingly, “governable democracy” is a practical model, and its value model is “people-oriented democracy”.

Chapter 31

“Standards” for Promoting “Liberal Democracy”



31.1 A Brief Account on Liberal Democracy

Our reflective research on liberal democracy has basically clarified the origin and development of liberal democracy, and in particular the narrative of liberal democracy in which liberty is emasculated by democracy (Yang, Guangbin, 2014b; Yang, Guangbin, 2015; Zhang Anfei, 2015). There is no need to dwell on it here, just the clues.

(1) The trilogy of constructing discourse power of “liberal democracy”

The popular liberal democratic theory today and its conceptual system are accomplished in three steps (Zeng & Yang, 2016). The first step is to transform the concept of democracy. Democracy has been the meaning of “people’s sovereignty”, in which “the people are the masters of the country” since ancient times. Therefore, the climax of the Socialist Movement and the rise of socialist countries occurred around World War II when the Western countries emerged, causing the two world wars, and faced great pressure and serious problems of legitimacy. In *Capitalism, Socialism, and Democracy*, Joseph Schumpeter transformed the concept of democracy by describing it as a process in which voters elect politicians. However, how to legislate and make decisions after the emergence of politicians is not the category of democratic politics. This is called “Schumpeterian democracy” or “electoral democracy”. The democracy theorists of post-World War II generations, such as the famous democracy theorist Robert Dahl, the Giovanni Sartori, and so on, demonstrated the “Schumpeterian democracy”.

The second step is to liberalize electoral democracy, that is, to frame it as a liberal democracy. Democracy is both an end and a means. Democracy is a practical form, but it has its value orientation and is a democratic form under a certain value system. Before the Cold War, when people talked about democracy, both Marxists and liberals talked about socialist democracy and capitalist democracy, and the socialism and

capitalism were sets of values, and democracy had class attributes. This is historical common sense. But capitalism, to both the masses and the intellectual elites, was a terrible nuisance, for while it had developed mankind, it had also harmed mankind, such as the inequality and human catastrophe brought about by capitalism (such as the two World Wars). For this reason, people, especially intellectuals, did not like capitalism, of course, but most preferred liberalism. In 1951, The Central Intelligence Agency decided to construct the American social science for propaganda with “freedom” at its core, and Robert Dahl was one of the first responders proposing the so-called pluralist democracy and Polyarchy to replace capitalist democracy, thus completing the replacement of the concept of capitalist democracy. As we shall see later, the elements of Dahl’s pluralist democracy do not include the power of capital as one of the most important powers, but does it not play a role in political life?

The third step is to transform the concept of legitimacy, that is, the legitimacy narrative of liberal democracy. The popular concept of legitimacy in modern times was first put forward by the Max Weber, who believed that a government formed by law and functioning effectively was a legitimate government that people obeyed and even supported. Weber’s concept of legitimacy includes two elements: legitimacy and validity. After Weber came up with the concept of legitimacy, it was ignored for half a century, and was revived by Lipsett in his 1959 book *Political Man: The Social Bases of Politics*. As Lipsett himself put it, he based his concept of legitimacy on the arguments of Weber and Joseph Schumpeter, thus retaining Weber’s validity, replacing Weber’s legitimacy with Joseph Schumpeter’s “competitive election”, that is, a government that functions effectively and is constituted by competitive elections is legitimate (Yang, Guangbin, 2016b). From then on, “the legitimacy of an elected government” becomes an all-conquering banner, defeating the Soviet Union and conquering many non-Western countries.

The theory of liberal democracy was constructed to demonstrate the rationality and even legitimacy of its own politics, but it was promoted all over the world as a “universal value”, and resulted in Third Wave Democracy, post-Arab Spring conditions in which many countries that have competitive elections failed to govern. To this end, the Western academic community began to create new concepts, the so-called “authoritarianism democracy”, “competitive authoritarianism” and so on. This shows that the concept of “electoral democracy” and the concept of legitimacy built around electoral democracy has been bankrupt.

Through the Third Wave Democracy, and through the Arab Spring, the events in Ukraine, and the turmoil in Thailand that followed, I have come to the conclusion about the homogenization of democracy: national identity, shared beliefs, and the social fabric of basic equality, otherwise competitive electoral democracy is likely to be a political disaster. Just think, competitive election is actually a party-competing democracy, behind the parties are sects, ethnic groups and classes, and competitive election sharpens the sectarian struggle and ethnic contradictions, so competitive election without homogeneous conditions is very dangerous (Yang, Guangbin, 2014c).

(2) Standards for measuring liberal democracy

Even democracy theorists like Dahl have to be careful to point out that by democratic standards, no country in the world has yet achieved, so Dahl uses the terms polyarchy and pluralist democracy to refer to democracy in real politics.

In *Modern political Analysis*, published in the 1960s, Dahl initially proposed the criteria for measuring democracy, which he later refined and popularized in a revised edition, i.e., the seven criteria:

- (1) to empower elected officials to control the final decision of government policy;
- (2) to select and replace officials peacefully through regular, fair and free elections in which violence and coercion are either eliminated or very limited;
- (3) all adults have the right to vote;
- (4) in elections, a majority of adults also have the right to run for public offices;
- (5) citizens have the right to freedom of expression, including the right to criticize and oppose leaders or political parties occupying high-level government positions; government officials must effectively guarantee the implementation of this right;
- (6) citizens have access to information resources and have an effective right to do so without the monopoly of such resources by the government of a state or by any other groups; and
- (7) citizens have an effective right to form and join political organizations, including political parties and interest groups (Dahl & Stinebrickner, 2012: 104–107).

Therefore, countries that conform to the above seven systems are “democratic states”, while those that are lacking one or more are autocracies, hegemons, totalitarian regimes or dictatorships. Dahl, though, is aware that the call is “an oversimplified picture of the complexities and vagaries of the political system of the modern world”. Nevertheless, “for convenience, we intend to mix them together and collectively refer to them as either non-bulls or dictatorships” (Dahl & Stinebrickner, 2012: 107).

These seven criteria are in fact divided into two categories; 1–4 relate to the right to vote and 5–7 to freedom of expression, of which the fifth is freedom of expression, the sixth is freedom of access to information, and the seventh is freedom of association.

In this way, “liberal democracy” in the system is divided into the “right to freedom” and “right to vote”. It is according to these two kinds of power or rights that various Western “non-governmental organization”, such as “Freedom House”, construct various indexes to promote liberal democracy. As mentioned before, Dahl’s seven indicators are not about capital power, much less about governance, but only about individual rights and social power, which is typically based on individualistic social centrism. As I have pointed out in other studies, social centrism is a way of thinking and a social science system based on the growth experiences of the Anglo-American countries. It cannot explain France and Germany, much less the nation-building of the late-developing countries. However, the Cold War was actually an ideological war, and the West took its own standards as “universalist”. As a result, political disasters could be seen everywhere, and many countries in transition

are caught in the mire and unable to turn back, governance fails, and development is hopeless. Gradually, these countries begin to learn from China’s experience, such as the role of the state in economic construction, and the role of the party in economic development.

31.2 Several Popular “Non-Governmental Organization” Indices

Of all the non-governmental organization that promote liberal democracy, the most influential democracy indices are undoubtedly Freedom in the World, the much-cited Economist Intelligence Unit and Polity IV. To call them a “non-governmental organization” is to use quotation marks, since Freedom House is funded by the United States government.

(1) Index of the freedom in the world

Founded in 1941 by Wendell Willkie and Eleanor Roosevelt, Freedom House publishes an annual report assessing political rights and civil liberties in the United States. The scores are 1–7, including “free” (1–2.5), “partially free” (3–5), and “not free” (5.5–7). The index consists of two first-level indicators, namely political rights and civil liberties, and each first-level indicator consists of a number of second-level indicators and third-level indicators.

- A. Political rights. (1) The electoral process: whether the leaders of the country and the members of the main leadership and legislature are elected in a fair and open manner, and whether they have equal political opportunities and fair voting statistics, etc. (2) Political pluralism and participation: whether citizens have the right to organize opposition parties, whether the political system can accommodate the existence of competitive groups, whether cultural, ethnic, religious and other pluralistic groups can coexist, etc. (3) The functioning of government: whether the elected representatives can fully exercise their rights, whether the government is free from corruption, whether the government can be held accountable to the electorate, etc. (4) Other aspects: whether the political system provides channels for citizens to participate in consultations, allows for public discussion, and whether the government will act arbitrarily.
- B. Civil liberties. (1) Freedom of expression and belief: existence of independent media and multicultural culture, freedom of religion, freedom of learning, freedom of private discussion, etc. (2) Freedom of association and self-organization: freedom of assembly, demonstration, etc., whether political and quasi-political organizations are free, whether there are independent and free trade unions, peasant associations and other professional organizations, etc. (3) The rule of Law: whether the judiciary is independent and whether cases are handled in the spirit of the rule of law, whether the police are under the control

of the executive branch, whether there are acts such as torture to extort confessions, whether everyone is equal before the law, etc. (4) Personal autonomy and individual rights: whether the state imposes restrictions on an individual’s travel, settlement or career choice, whether citizens have the right to engage in self-employment, whether individuals enjoy social equality (such as gender equality, freedom to choose a partner, freedom to determine the number of family members, etc.), whether individuals have freedom from exploitation, and enjoy equality of opportunity, etc.

By the “objective standard” of Freedom House, China is certainly not a “free country”, with the highest score. But the simple fact is, if China is not free, why do hundreds of thousands of Chinese who travel abroad return home every year? Similarly, by so-called “objective criteria”, Singapore scores higher than India, does this not ruin “the prevailing values”? Freedom House’s so-called “objective criteria” are actually Dahl’s seven criteria, or the “subjective criteria” of Westerners; what do these “objective criteria” look like to the people in the host country? Or does it matter how the people in the country feel? Chart 31.1 shows the relationship between the “objective criteria” of Freedom House and the “subjective feelings” of the people in the host country.

As shown in Chart 31.1, we recoded based on Freedom House measurements, with a minimum score of 0 (least democratic), as in China and Vietnam, and a maximum score of 1 (most democratic). The countries with a score of 1 included Sweden, the United States, Australia, Sweden, Slovenia, Finland, Cyprus, Chile, Germany, Poland and Italy. In other words, from Freedom House’s point of view, these countries are among the unblemished “full democracies” in terms of their degree of democracy.

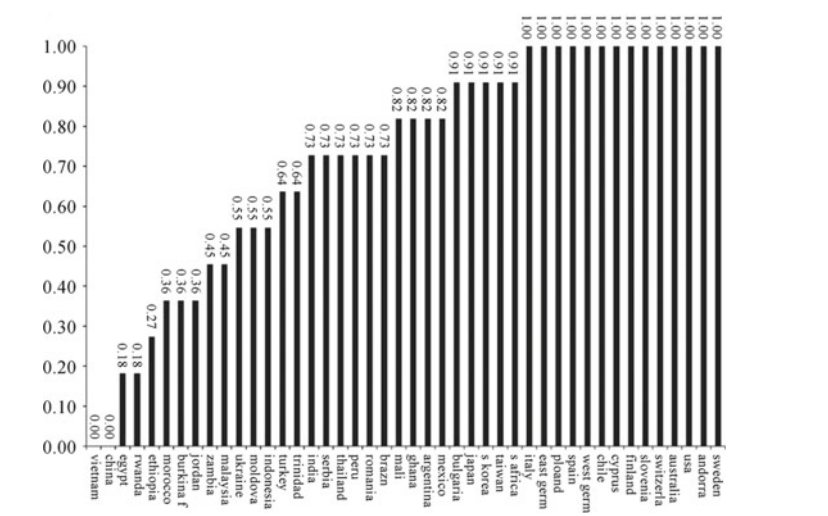


Chart 31.1 2005 Freedom House democracy ranking map (partial)

(2) Polity IV index

Polity IV is generally divided into three grades: “democracy” (6–10, of which 10 is “complete democracy”, and 6–9 are “democracy”), “authoritarianism” (the original word is anocracy, which does not seem to have a Chinese equivalent, and is roughly the part democracy and part dictatorship, of which 1–5 are “open authoritarianism”, –5–0 are “closed authoritarianism”), and “dictatorship” is of –10 to –6. These indices cover almost all independent countries, spanning 1800–2015. The index started in the 1960s by the American scholar Ted Robert Gurr and is being continued today by his successor, Monty G. Marshall.

The Polity IV score also has several special values, with a score of –66 indicating the interruption of the regime, which has been invaded by foreign powers since that year (for example, a score of –66 for Japan in 1945 means it was occupied by the United States); –77 points indicates the collapse of the regime, that is, the country’s central government collapses in that year (as in Libya in 2011); –88 points means the beginning of a new regime (as in South Africa in 1992).

Score calculation: Polity IV = democ-Autoc, i.e., a country’s political system score is equal to the “democracy score” minus the “dictatorship score”. Among them, the composition of the score of Democ: (1) the competitiveness of the public service recruitment; (2) the openness of the public service recruitment; (3) the restraint of the chief executive officer; and (4) the competitiveness of political participation. The composition of the Autoc score is as follows: (1) appointment to public office; (2) closed/limited public office; (3) restriction of citizen participation; and (4) suppression of competitive participation. Thus, the designers of the index believe that a mature and stable democracy has the following characteristics: (1) open and competitive political participation; (2) elected officials; and (3) substantial constraints on key officials. It is clear that the Polity IV index simply defines the distinction between democracy and dictatorship as being competitive election or not.

The Polity IV index’s depiction of and attitudes toward the political development of China: the score of –60 in 1860, corresponding to the invasion of Britain and France; –88 in 1911, corresponding to the establishment of the Republic of China; –88 in 1912, corresponding to the inauguration of Yuan Shikai as president; –77 in 1937, corresponding to Japan’s full-scale invasion of China; –77 in 1949 corresponds to the collapse of the Kuomintang regime (note that the score here is not –88 for the founding of New China, showing the designer’s deep prejudice against the new China).

In Charts 31.2 and 31.3 are of two series of figures concerning China, the former showing the score of democracy in some years after 1800, and the latter showing the trend of democracy in China after 1945. On a trend basis, the researchers argue that China had fallen into the abyss of “dictatorship” since the founding of the Communist Party and remained largely unchanged for many years, with the mid-to-late 1960s approaching the bottom; the scatter plot (see Chart 31.3) is more interesting, whether it was the absolute monarchy of the Qing Dynasty (–6) or the warring warlords of the Republic (–5 generally, up to 2 in 1912, perhaps because some of the institutional designs in the early texts of the Republic of China were in line with this indicator),

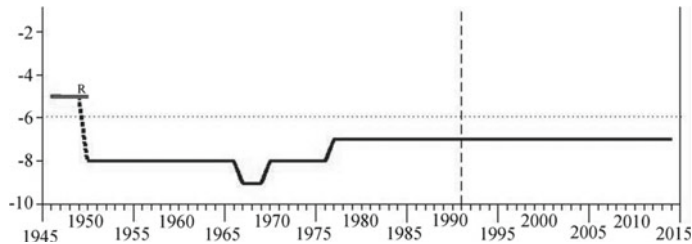


Chart 31.2 China’s scores in Polity IV

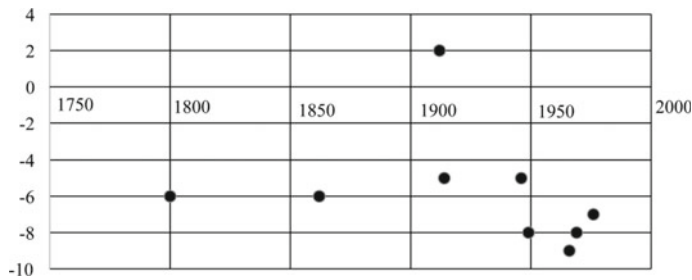


Chart 31.3 Scatter plot

its democratic score was higher (−9 to −7) than at any time since founding of the People’s Republic of China (even by the standards of elections, the designers of the Polity IV index turned a blind eye to the universal suffrage that the citizens were ranted since the founding of the People’s Republic of China, and especially to women, while in the Republic of China, women’s right to political participation was not formally established until the 1936 *Act of Election of National Assembly Deputies*).

(3) “Democracy Index” of Economist Intelligence Unit

The democracy index of Economist Intelligence Unit covers 167 countries and territories. The index consists of 60 sub-indicators, which can be summarized into five comprehensive indicators:

- (1) The process and diversity of elections, such as whether public officials can be freely elected, whether elections are fair and just, whether citizens have the right to vote freely, whether opposition parties can participate in government, etc.
- (2) Civil liberties, if free media exist, whether citizens have the freedom of publication, association, procession and demonstration, whether property rights are protected, whether personal safety is guaranteed, etc.

- (3) Government operation, whether the elected representatives can make government decisions, whether the legislature has supreme status, whether the government is free from the influence of the military and other forces as well as foreign forces, whether the government is open and transparent, etc.
- (4) Political participation, such as the turnout rate, the participation of citizens in the interpretation of the law, the number of non-governmental organization and social groups, etc.
- (5) Political culture, such as belief in and attitude towards democracy, public attitude towards military rule, strong leadership, technocracy, separation of church and state, etc.

The score of these five indices is between 0 and 10, and the final democracy index is the average value of these five indexes. The polity score is divided into four grades:

- (1) Fully democratic polity (8.01–10): The government not only provides political and civil liberties, but also creates a social foundation conducive to the flourishing of a democratic culture, with public acceptance of the government, an independent media, a multicultural society and an independent judiciary, and there are effective restricting mechanisms.
- (2) Flawed democracy (6.01–8): While there may be issues such as freedom of the media, the government can still provide basic freedom and fair elections and the fundamental freedoms of citizens are respected. However, there are still some problems in some aspects of democratic development, such as underdeveloped political culture and low degree of political participation.
- (3) Mixed democracy (4.01–6): This refers to a mixture of democracy and authoritarianism, with massive electoral irregularities, widespread restrictions on the opposition, an underdeveloped political culture and low political participation, corruption is rampant, the rule of law is weak, civil society is underdeveloped and there is a lack of judicial and media independence.
- (4) Dictatorship (0–4): the state lacks a pluralistic political environment, democracy does not play a substantive role even if it exists, and elections are not free and fair. There are widespread violations of civil liberties, the media is owned by the government, and there is strict censorship, opposition is suppressed, and there is no independent judiciary.

According to the index, the state of global democracy in 2015 is shown in Table 31.1.

Table 31.1 2015 state of global democracy

Regime type	Country (number)	Percentage of countries	Percentage of population
Complete democracy	20	12	8.9
Flawed democracy	59	35.3	39.5
Mixed democracy	37	22.2	17.5
Dictatorship	51	30.5	34.1

31.3 The Deviation of “Objective Standard” and “Subjective Feeling”¹

Indices of “non-governmental organization” aimed at promoting “liberal democracy” are in fact based on the so-called “objective criteria” set by the political systems of Western countries to measure non-Western countries. However, these “objective criteria” often go against people’s intuition, contrary to common sense, and is far from the “subjective feelings” of the residents of the country being judged. According to Professor Tang Wenfang, compared to what Freedom House calls “objective” measurement methods and data, a person’s subjective political well-being about the political environment in which he or she lives is more likely to reflect the true state of democracy in a country or region. The scientific index, so to speak, is merely a more refined form of ideological combat.

First, the so-called “objective standard” of various indices is actually set according to the basic standard of “liberal democracy”. In fact, it is also a kind of subjective imagination. If we change the standard, such as the “subjective feeling” of the citizens of the target country, it will be quite different from the “objective standard” of the above-mentioned indicators. The World Values Survey’s conclusions diverge sharply from Freedom House’s index, especially when it comes to measuring freedom in China. Transcoding the Freedom House’s “objective criteria”, China has a “zero” degree of freedom, which is non-democratic, while Chinese people’s subjective feelings are very free, as shown in Chart 31.4, according to the World Values Survey-Wave5, 2005.

In Chart 31.4, the left-hand side of each axis represents the Freedom House survey ranking, and the right-hand side represents the World Values Survey ranking. Apparently, one of the interesting things is that people in countries rated by Freedom House as “undemocratic” and “unfree” feel very free, while people in countries deemed not only to be “free” but also to be “free a lot” feel that they are not. As Chart 31.4 shows,

¹ Discussion on “objective standard” and “subjective feeling” in this part is inspired by Professor Tang Wenfang’s research, See Tang Wenfang. 如何测量中国民主: 关于民主与政治幸福感的讨论 (How to Measure Chinese Democracy: A Discussion on Democracy and Political Well-Being), in Yang, Guangbin (ed). 思想评论 (Thought Commentary), issue 10 (sponsored by the National Academy of Development and Strategy, Renmin University of China).

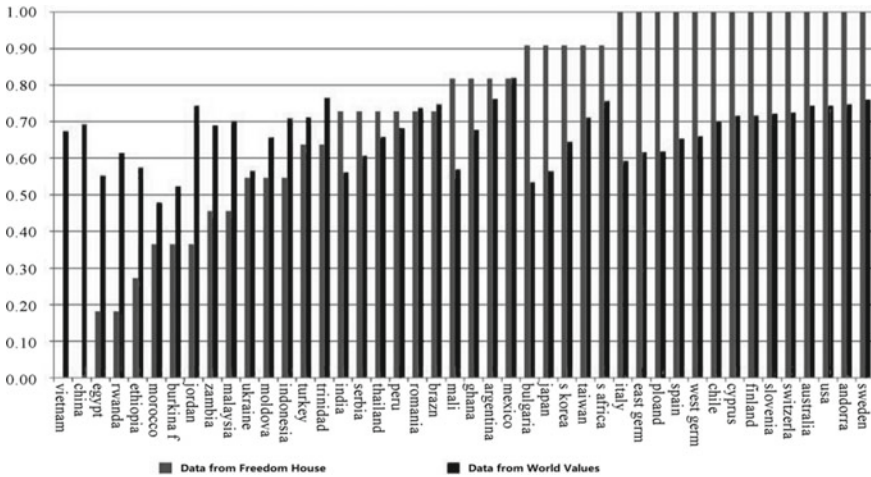


Chart 31.4 A comprehensive comparison between the ranking of Freedom House and the ranking of world values survey (partial)

Italy is objectively one of the most “free” and “democratic” countries, but compared with its subjective degree of freedom, there is a huge gap.

Even surveys conducted by the same organization come to completely different conclusions based on different criteria. China certainly ranks low on the Economist’s “Democracy Index”, the so-called “objective index” set by the Western standards, but China ranks high on the Economist’s “subjective perception” survey. The Economist’s question is: Do you think your country is on the right track or the wrong track? The result is shown in Chart 31.5.

The reflection to us from this is, whether the so-called “objective criterion” is important or the subjective feeling of the residents in the host country is important? Other surveys, designed to measure the subjective feelings of the host country, more directly negate the “objective index” of Freedom House and others. On the Freedom House Index, China scores “0” for “personal freedom”, ranking it among the least free countries, which are clearly uninhabitable. But what do young Chinese say about their country? The International Education Charity Varkey Foundation commissioned a survey of young people aged 15–21 in 20 countries to find out what they are thinking, their happiness index, life state and cognition of the world were compared and analyzed (see Chart 31.6) (Netease news, 2017).

Overall, 70 percent of the young Chinese surveyed said they were happy with their lives, which is about the same as in the developed countries of Europe and the United States, with 1–5 percentage points higher. It is also 3–7 percentage points higher than the developed countries when it comes to living conditions. Young Chinese are significantly more optimistic about the world than their counterparts in developed countries, with more than half of the respondents saying the world is getting better, while less than 20 percent of Americans and Britons are optimistic, even in single digits, about half think the world is heading for something worse. When asked if

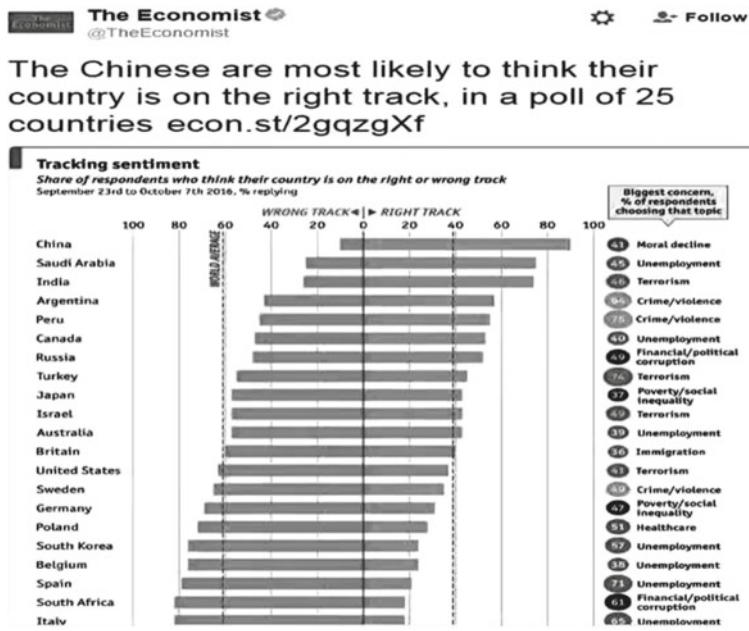


Chart 31.5 Results of the economist’s “Subjective feelings” survey

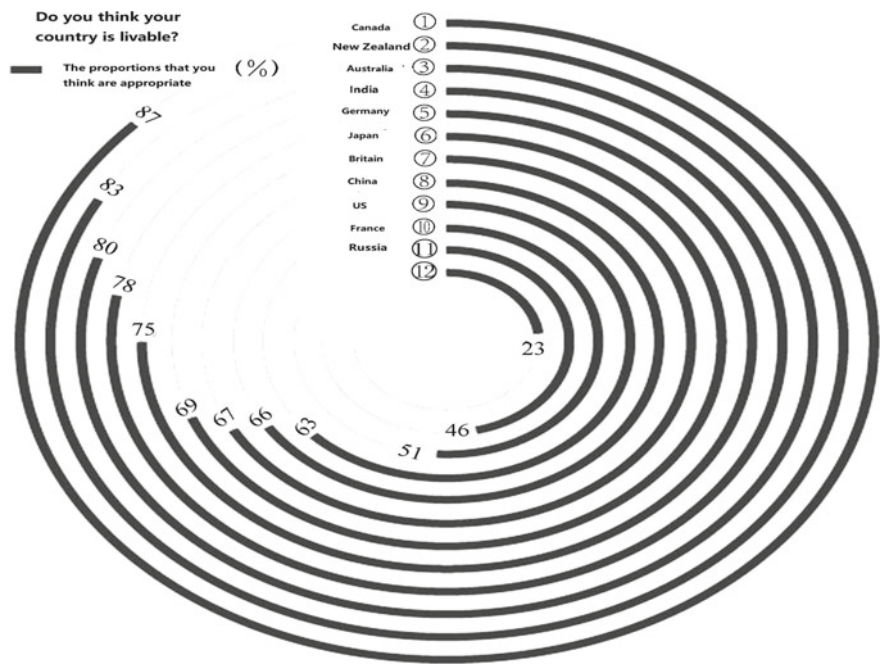


Chart 31.6 How young people around the world view their country

you think your country is suitable to live in, only 1 percent of Chinese respondents clearly choose not to live in it, while 66 percent think it is suitable. Although the degree of optimism of Chinese respondents about your country is lower than that of Canada, Germany and India, Chinese respondents are clearly more optimistic than their counterparts in France and Italy. In Russia and Brazil, only 46 per cent of young people think the country is livable, while in South Korea the figure is as low as 23 per cent.

The findings of Professor Zhu Yunhan of National Taiwan University, head of the Asian Democracy Survey (ABS), are: on several fundamental issues, such as the government’s ability to solve problems, trust in the government, and support for the current system, the China mainland’s index ranking is not what can be imagined by Freedom House’s “objective criteria”, as the data shown in Charts 31.7, 31.8, 31.9, and 31.10 (Chu, 2016).

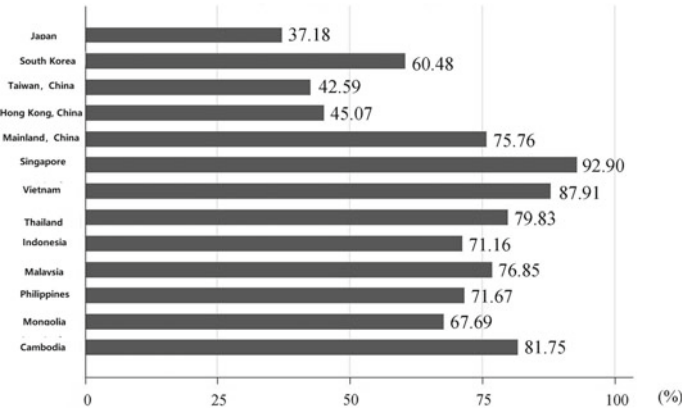


Chart 31.7 The government’s ability to solve problems

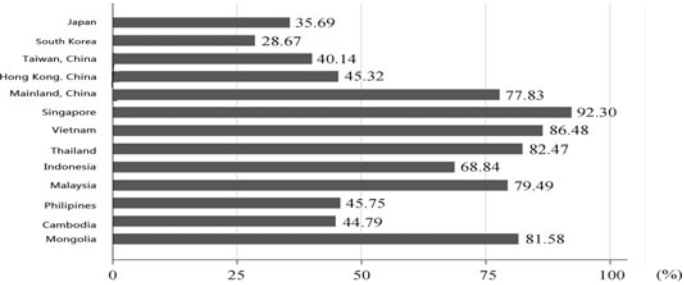


Chart 31.8 Acceptance of the system of government

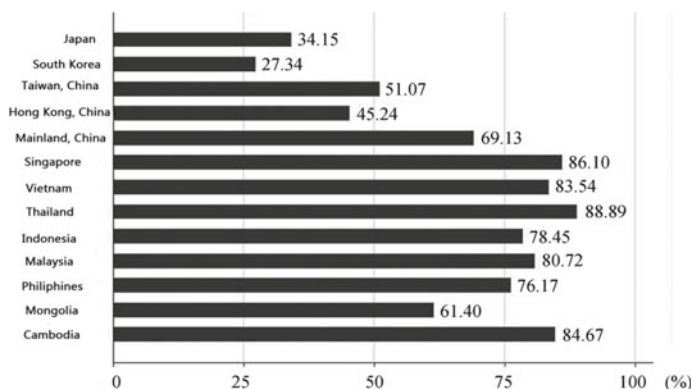


Chart 31.9 The support of the people when the system is in trouble

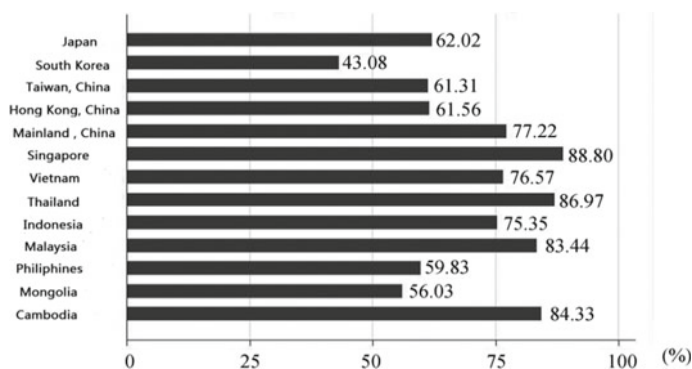


Chart 31.10 Support for the current system

31.4 Conclusion: The Study of Ideological Politics Rather Than Political Science

The “objective” index, represented by Freedom House, contradicts the factual human development index based on a number of indicators. A true understanding of the problem needs to be based on comparative research, which has a problem of comparability. For this reason, we have selected developing countries, the Human Development Index [HDI] for developing countries with a population of over 100 million people (the Human Development Index (HDI) is designed by United Nations Development Programme and consists of life expectancy, income and education). The comparison is shown in Table 31.2.

A comparison of nine developing countries with populations of over 100 million, based on ideological indices, shows that only China is in a state of authoritarianism. But if not free, why can Chinese people freely go abroad and voluntarily choose

Table 31.2 Comparison of nine developing countries with more than 100 million people in the world

Countries	Polity IV	Democracy Index	Freedom in the World	GDP per capita (USD)	Human development index
China	-7/ autocratic	3.14/autocratic	7/not free	7924.7	0.727/high
India	9/democratic	7.74/flawed democracy	2/free	1581.6	0.609/mid
Mexico	8/democratic	6.55/flawed democracy	3/partially free	9009.3	0.756/high
Nigeria	7/democratic	4.62/mixed democracy	4/partially free	2640.3	0.513/low
Bangladesh	3/Open Authoritarian	5.73/mixed democracy	4/partially free	1211.7	0.570/mid
Pakistan	7/democratic	4.40/mixed democracy	4/partially free	1429.0	0.538/low
Indonesia	9/democratic	7.03/flawed democracy	4/partially free	3346.5	0.684/mid
Brazil	8/democratic	6.96/flawed democracy	2/free	8538.6	0.755/high
Philippines	8/democratic	6.84/flawed democracy	3/partial ly free	2899.4	0.668/mid

Note Free (1–2.5), Partially free (3–5), not free (5.5–7)

to return home? This is clearly against common sense. On the contrary, Mexico, where drug trafficking is rampant, Brazil, where slums are scattered around, India with the caste system, south and southeast Asian countries with land feudalism, Nigeria with serious ethnic/religious conflicts, for whom both the democracy score and the freedom score are far better than China's, so the untruthfulness of the data measured by Freedom House and others can be seen. In fact, the data collectors and producers of the indicators do not necessarily understand the realities of the non-Western world, and their data collection for the developing world may be limited to textual information such as whether there is a constitutional court or whether one person, one vote for president. The Human Development Index score in Table 31.2 contrasts sharply with the Democracy Index Score, and countries with high democracy scores do not fare very well in terms of economic and social development.

Historically, Freedom House was founded in the Cold War period and was deeply influenced by the Cold War thinking of binary opposition. This thinking did not end with the end of the Cold War, and capitalism and socialism of the two camps gradually evolved into the so-called democratic and non-democratic states, opposing each other. From the Cold War of the twentieth century to the present, the Western world's standards have changed, but its liberal ideology has stayed the same.

Just look at Polity IV and the Democracy Index, which measure democracy, the two institutions' perception of democracy is still based on liberalism. In the specific

measurement, whether it is the dividing line between democracy and dictatorship, or the specific weight of score, the core criterion of competitive election is repeated many times (which makes the liberal democratic component more prominent). In this case, liberal democracy has replaced democracy as the first law for measuring democracy.

If these indicators are intended to measure the growth of liberal democracy in a country, they are not in themselves problematic, yet both Polity IV and the Economist's democracy indices aim to measure a country's degree of democracy by its degree of liberal democracy, and the quality of the system of government is ultimately evaluated (rather than simply categorizing them as a whole). In view of this consideration, the relationship between competitive elections and liberal democracy for good government is shown in Chart 31.11: either as a necessary condition, or as an equivalence relation.

However, the true causal logic is that while competitive elections are an element or a necessary condition (core requirement) for liberal democracy, liberal democracy is only a form of democracy, and therefore liberal democracy and democracy do not constitute a causal relationship, and democracy is only a necessary condition to realize good politics. It also needs to combine with other conditions (such as rule of law, security, etc.) to realize good politics of a country. So making liberal democracy or even competitive elections a necessary or even sufficient condition for good governance is inherently problematic (the real logic should be as shown in Chart 31.12, where the arrows denote causation and * denotes "and", where a combination of factors leads to a particular result). Replacing the multi-dimensional nature of modernization with the unitary nature of democracy construction is grossly misleading of the ideology behind these indices.

Ideology is also reflected in the bias of the designers: On the one hand, the bias towards forms of government, which see liberal democracies as the only good ones. Although all of these are measures of a particular value; the researchers have equated high indicators with good governance, so that according to these indicators, liberal democracy = democracy = good governance. On the other hand, this is biased against specific countries; those on the "other side" of the divide have been largely ignored

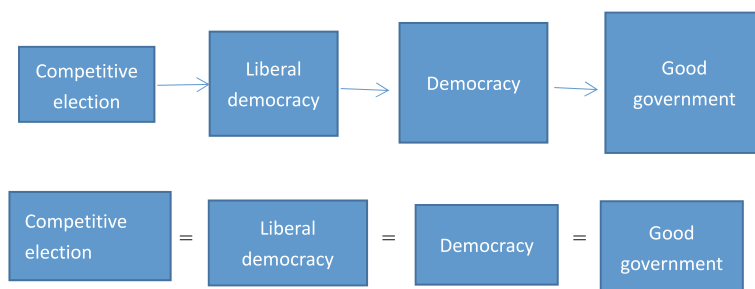


Chart 31.11 Competitive elections and the relationship between liberal democracy and good government

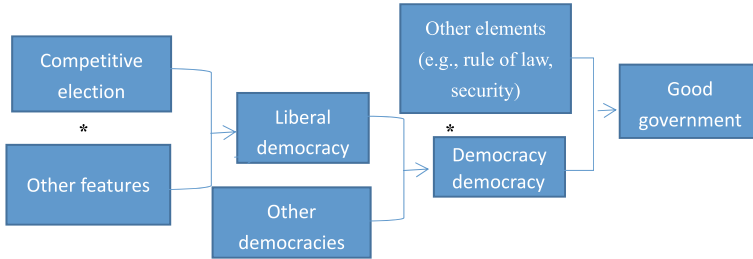


Chart 31.12 The true logic of good government

by the designers even as they have made significant progress in their prescribed democratic dimension. The concrete index is always composed of “rigidity” and “flexibility”. Taking the right to vote as an example, it is easy to observe the fact that all citizens of the right age have the right to vote, but the designers did not stop there, they believe that the right to vote must be “public”, “competitive” and “open”, which provides a lot of freedom for the operation of the concept. In practice, it is difficult to measure how open and transparent it is; those “dictatorships” and “authoritarian states” that have long been shaped by ideological indoctrination, even when citizens have the right to vote, are seen as rigged, uncompetitive and riddled with electoral fraud.

Liberal democracy develops in both theoretical and empirical aspects. On a theoretical level, as noted earlier, the elite democrats of the first half of the twentieth century, represented by Joseph Schumpeter, replaced democracy with liberal democracy. At the positivist level, scientific research since the second half of the twentieth century has greatly strengthened this ideological bias in scientific form. Since the behaviorist revolution, researchers have emphasized the scientific method and value neutrality, and they argue that nonvalue judgments must be based on scientific data. But the fact is that, even if their methods are “scientific” (leaving aside for a moment the impossibility of measuring historical and structural factors in scientific methodology), their theoretical premises and the data they use are ideological.

Scholars apply the data indiscriminately. For example, a Polity IV score of six or more is democracy, and a GDP per capita of \$3,000 would be seen as a base on the road to democracy, dividing the world into democratic and non-democratic camps according to established criteria On the basis of these premises, analyses can then be done as to what factors contribute to a country’s democratic score of more than six, to measure whether \$3,000 or other economic conditions are necessary/sufficient to lead to democratization (in effect, a change in the political system’s score), to study why authoritarian states resist the tide of democratization Such research, however technically and logically coherent it may be, is in fact a mere footnote to an established ideology if it fails to grasp even the basic theoretical and value premises.

Some empirical studies in China have shown similar errors, such as the fact that many scholars see the Color Revolution and the Arab Spring as part of “democratization”, when in fact they belong only to social/political movements. At the same time,

the researchers regard “democracy” and “democratization” as the top priority of the political society and even the whole country. For example, we study the so-called “democratic collapse” of African politics, which presupposes the establishment of democracy in many African countries, the democracy index will take place in a few years, not as a collapse of democracy but as a symbol of domestic political instability—namely, that, there is no difference between the establishment of a democratic regime and a dictatorial regime. It is just that a turbulent society is constantly making political choices.

There is also the suspicion that studies deliberately manipulate data, such as Acemoglu’s data, showing a perfectly positive correlation between democratic politics and economic development, and proving the great advantage of democracy (actually, liberal democracy) to economic development (Acemoglu & Robinson, 2015). But one of the important reasons for this is that the author deliberately excluded two important cases, China and India. Moreover, the author has taken country as a unit, then democracy and economic development would be even less relevant when weighted by population.

There is also the question of how to use data more scientifically. The data is very important which provides the basis and standard for comparison. For example, when we say strong countries and weak countries, we know that China is a strong country compared to African countries, but comparisons of national capacities between African countries have to be made with visual data. The most important is to use little or no such numerical representation of a particular value, and any index that measures an abstract value is based on an ideology; the makers of the indicators have reformed the “backward countries” in the indicators through ideology. Even if these data are used, it is better not to use them directly as explanatory variables, but rather to use changes in indices as the variable to be explained. Since the standards of these institutions are uniform, democratic changes may reflect to some extent certain changes in the political life of the country. For example, an indicator fluctuates greatly in a short period of time, indicating that the country’s politics has undergone significant changes during this period—The science we do is to explain why real change (actual change) took place, not to try to explain why the country experienced democratic reform/democratic collapse during this period.

The complexity of politics determines that the study of politics cannot be scientific in the sense of natural science. Although “non-science” is inevitable, scholars should at least avoid prejudice. Unfortunately, however, the complex calculation of a series of indices has masked a huge ideological bias that has been solidified and transmitted under the banner of scientific research.

In fact, there are scholars in historical sociology and political economy who reject this simplistic approach and emphasize a return to a complex historical and realistic focus. For example, Giovanni Capoccia and Daniel Ziblatt, the new post-1970 talents in comparative politics, have written about “the historical turn in the study of democracy”, holding that democracy studies should return to the Barrington Moore, Jr. tradition (Capoccia & Ziblatt, 2010: 931–968). However, the dominant research on democratic transition largely ignores the historical heritage and structural factors, so the analysis of the essence of the issues is very limited. In the analysis of the

concept of democracy, David Collier, John Johan Gilling and others emphasize the concept of “stratification” rather than simple binary opposition (Collier & Levisky, 2009; Gerring, 1999). Nevertheless, ideology-based research continues to dominate, and studies of transformation and democratization continue to prevail, even political change is labeled “democratized”, and the political stability of non-Western countries is called “authoritarian tenacity”. There has been a tendency for this superficial academic behavior to spread to Chinese political science, not understanding the concept of premise, not digging into the concrete history, but following blindly “foreign stereotyped writing”. This exquisite formalism has led American political science into a blind alley, and Chinese political science, which is just beginning to be “scientific”, must not die of “scientific” like American political science.

Chapter 32

Alternative Models of Democracy: People-Oriented Democracy and Governable Democracy



“Standard” is power of discourse. Discussing the criteria of “subjective feelings” is a kind of hedge against “objective indices” such as Freedom House, but these “subjective feelings” also need a theoretical democratic model as the basis, just as Freedom House is based on liberal democratic theory.

In view of the huge deviation between the “objective index” and the real politics in China, the Chinese authorities are also working to establish “Chinese standards” to evaluate democratic politics. In a speech celebrating the 60th anniversary of the establishment of the system of the National People’s Congress, General Secretary Xi Jinping has pointed out “eight criteria” for measuring democracy, i.e., to evaluate whether a country’s political system is democratic and effective: (1) whether the leadership of the state can be replaced in an orderly manner in accordance with the law; (2) whether all the people can manage state and social affairs and manage economic and cultural undertakings in accordance with the law; (3) whether the people can express their demands of interests freely; (4) whether all sectors of society can effectively participate in the political life of the country; (5) whether the decision-making of the country can be scientific and democratic; (6) whether talents of all sectors can enter the leadership and management system of the country through fair competition; (7) whether the ruling party can exercise leadership over state affairs in accordance with the provisions of the Constitution and the law; and (8) whether the exercise of power can be effectively restricted and supervised.

We can see that whether it is Deng Xiaoping’s “three benefits” or Xi Jinping’s “eight standards”, Chinese people believe that democracy is bound up with governance, and that “maintaining political stability and peace” is the gene of Chinese civilization. Of the eight criteria, the first four are about democratic participation, the seventh is about the governance of the country under the leadership of the party, and the fifth, sixth and eighth are about responsible politics. The “eight criteria” imply “governable democracy” as a democratic model. “Governable democracy” cannot be separated from the role of “state”. But liberal democracy is, after all, a social theory of individual rights and social rights, not political theory.

32.1 “State” and Governable Democracy

The first proposition to be taken seriously is: where does the dynamism of capitalism and democracy come from? In the sense of modern history, capitalism and democracy are a pair of twin concepts, that is, the capitalist revolution has brought about limited elite democracy. One interesting phenomenon is that the crisis of capitalism is saved by the state, that is, the Keynesianism advocating state intervention has saved capitalism, thus making capitalism still alive and vital today; Hayek’s neoliberalism, which was always critical of Keynesianism, almost destroyed capitalism. We know that capitalism is an economic system whose vitality and life cannot be separated from the state, let alone democracy as politics itself? Democracy in crisis requires the state to come in and keep it alive.

However, the simple truth is often obscured by the popular religious doctrine-like ignorance, which makes people lose the ability of thinking, reflection and construction. In other words, the liberation movement of individual rights and social rights, which was initiated by Roch, improved by the Scottish Enlightenment represented by Hume and Smith and carried forward by the French enlightenment, made history a complete history of individual rights, while the state is regarded as a “necessary evil”. This kind of thinking drove individual rights centered capitalism all the way, which became the master of the world, resulting in human disasters and social unrest. In this case, the “state” is forced to “step in”, and the libertarianism becomes the new liberalism of Green and Hobhouse, up to Keynesianism. It was Keynesianism that ultimately saved capitalism. This “story” is Polanyi’s famous “two-way movement”.

Capitalism without a “state” can be understood in the context of liberalism, where there are only individual rights and social rights, how did democracy, which began as a form of government, divest the “state” so that it becomes merely a social right? This is the essence of the aforementioned “Schumpeterian Democracy”. In this doctrine, state is merely an arena for political and social forces, unable to integrate the society, and ultimately becomes a container without the capacity of the state. Isn’t it? The financial crisis of 2008 was the collapse of the neoliberalism, and it was only a vision when Britain and America wanted to follow China’s lead in building high speed railway, and even the state has lost its grip on the capital groups that threaten people’s lives on a massive scale, such as the National Rifle Association. For this reason, people of insight in the West put forward the need for “re-democratization” in Western countries, for a political system that fails to deal with and solve major social problems is already a “political decay”. Tempting as it is, and it used to be. In short, if the state entered the market to save capitalism, then as the twin brother of capitalism, democracy cannot do without the state. I have pointed out: “Democracy is about the relationship between the state and social forces: not only the importance of social rights and social constraints, but also the importance of state autonomy. That is to say, the theory of democratic politics must introduce the variable of state autonomy. Perhaps there will be a new breakthrough in the study of democracy theory from this perspective” (Yang, Guangbin, 2011a).

As a matter of fact, over the past 100 years, Western intellectuals have given a clear answer to the question of the relationship between “state” and democracy, only to be drowned out by the deluge of individual rights-centered liberalism.

Dewey, the most important American democratic philosopher, criticized the theory of pluralist democracy and pointed out the close relationship between state autonomy and the quality of democratic politics (Strause & Cropsey, 1993b: 991–992).

Professor Nordlinger of Harvard University, makes a judgment on and points out the direction of such empirical democratic theories as elite democracy, pluralist democracy, new pluralist democracy, and neo-Marxism: “The intense debate over empirical democracy has reached an exhausted level because it has largely continued to revolve around apparently irreconcilable descriptions of civil society, so it has passed the point of diminishing returns. Stop arguing about which political resources are particularly effective, stop describing their allocation over and over, and stop arguing (or assuming) that one or another set of private actors constitutes an effective demand group. It is only by shifting the main focus to the state that the theory of democracy can be better demonstrated” (Nordlinger, 2010: 201).

Prof Lindblom’s observation is profound: “When politics turns to institutional discussions such as the legislature, the executive, political parties and interest groups, it is really dealing with secondary issues. The activities of parliaments and legislatures, administrations, political parties and interest groups depend largely on the extent to which the market is replaced by the government or the government is replaced by the market. In politics, even the ambitious attempts to define democratic theory have been accompanied by a neglect of the function of government or the state, depending on the role of the market in political-class life” (Lindblom, 1994: 1–2).

The Western understanding is important, but more importantly, the wisdom and thoughts from China cannot be ignored, because democracy is universal in value, but it is also positional or contextual in institutional form. In this way, talking about democracy in China is bound to be inseparable from China’s most important traditional ideas and wisdom. Among them, “people-oriented”, the most important Confucian thought, is the knowledge tradition that can be grafted onto democracy, because “people-oriented” is the thought about the state in the final analysis. It is not without tradition to associate people-oriented thought with democracy. When democracy was introduced to China 100 years ago, China’s elites viewed democracy as “people-oriented” (黄克武, 2007). Today, according to a large-scale sample analysis conducted by Professor Shi Tianjian of history at Duke University, the idea of democracy in the minds of ordinary people is still “people-oriented”. Doesn’t it make sense to go from the Chinese intellectual elites to the grassroots? Only in the perspective of “people-oriented” can we understand the mass line as a form of democracy and the relationship between the Communist Party, a neo-Confucian ruling group and China’s achievements.

In addition, “people-oriented” thought and “governance” theory has a natural relationship. Since the 1990s, the rising “governance fever” is still in the ascendant. “Governance” is a normative concept that can go hand in hand with democracy, and

can even be used as an alternative concept, because even if the entrenched democracy that Westerners are so keen to study cannot be effectively governed, for example, India, a well-established democracy, and many third-wave countries in transition to democracy, are still “invalid democracy”. Invalid democracy is no bread and butter. The concept of governance, which began to emerge in the 1990s, emphasizes the importance of social organization and remains, in a sense, a derivative of Hayek’s neoliberalism. However, no matter how much emphasis is placed on the role of social organizations, they cannot replace the role of the state. China has done best in world bank-funded projects, not like the so-called African countries dominated by social organizations. Moreover, a historical fact that has been ignored by the World Bank economists is that as early as the sixteenth century there was a book in the UK dedicated to “governance”, which was interpreted as to rule over by right of authority. Today, social organizations are indispensable in governance, but the most important subject is the state. In fact, before the theory of “governance” became popular, as early as the 1970s and 1980s, the “bring the state back in” school of state was the mainstream of Western historical sociology. State school is to study public policy and public governance, and as long as it involves public policy issues, it is impossible to leave the state, and public policy is the practice of political theory.

What’s the point of getting the state back today when the tide of democracy goes forward in formidable array? For a better democracy, of course, for a better democratic life, effective governance. To that end, I propose a “governable democracy” that goes beyond “liberal democracy”. Please note that this is “surpassing” rather than “replacing”, that is, it is impossible for Western countries not to practice “liberal democracy”, and some elements of liberal democracy can be passed on after all, but humanity cannot stop at the already problematic “liberal democracy”. We must seek better theories and forms of government to transcend it.

32.2 The Elements and Internal Logic of “Governable Democracy”

“Liberal democracy” with partisan struggle as its core is only a kind of procedural democracy, and it is not a kind of procedure that can influence the decision-making process or do not consider the autonomy of decision-makers (that is, “state autonomy”). It is one of the many tools of democracy. If the instrumentality of procedural democracy cannot contribute to substantive democracy, procedural democracy means procedural justice at most, but procedural justice cannot be equal to justice itself. Today, we must recognize that justice is the highest political goal all the time and that no government is good unless it can achieve justice. Democracy, as a form of government, should not only accord with the procedural justice, but also meet the substantive justice, that is, the people under its rule can get the required public services. To this end, democracy must be linked to effective governance so that it can provide effective public services for the people.

Governable is a good word. As before, its proper meaning is to rule over by right of authority, so in the sense of semantics and real politics, a “governable” society is first and foremost a matter of the state, no matter how theoretically downplayed or even demonized by Locke’s liberalism or Hayek’s neoliberalism; “states” are the air of modern life, breathing it does not feel its importance, but not a moment without it. The Western historians of state history are most frank, they directly liken the state to the air of life (Strayer, 2011). On the other hand, not only does the meaning of the word change and extend with the changes of the times, that is, “governable” is no longer limited to the rights of the state, because the change of the social structure makes the subject of governance not single, but pluralistic; governance is the right that social organizations should enjoy, that is, “governance” in the eyes of the World Bank economists.

Thus, the governable becomes a concept that connects the state and society, and the ideal state or society must be governable. At the same time, a “governable” state must be democratic. In the era of mass politics, especially in the internet society, no matter how good the governance is, if there is no participation of the common people, that is, the participation of the common people cannot be guaranteed, the common people will not accept it, be it good or bad they have to play by themselves. In terms of governance, Singapore should be at the top of the world’s list, but ordinary people still demand democratic rights to vote and participate, with Lee Kuan Yew, the founding father of the country, becoming an electoral “box office poison”. Therefore, democracy is the discourse and reality that cannot be avoided in the era of mass politics.

As mentioned above, democracy is a form of government or state, a relationship of power, the sum of the relations between state and society, and governable is a good concept for connecting state and society. In any country, the rulers seek governability, otherwise the regime would be in danger; but the common people demand more, not only democratic rights in all their forms that directly realize their values, but also good public services, namely good governance. However, the current popular democratic forms such as election democracy, participation democracy and other positive democratic theories are not necessarily capable of achieving the governable. In other words, good governance in Western countries is not necessarily explained by theoretical “liberal democracy”, that is, “liberal democracy” masks the true way of governance. As mentioned before, liberal democracy only emphasizes social rights and ignores the role of the state, but in fact the role of the state is everywhere (杨光斌, 2011c). Moreover, democratic politics is not inherent in the order of the construction of Western countries. Universal suffrage democracy in Britain and the United States took place two centuries after the bourgeois revolution. In this way, “governable democracy” can be regarded as an alternative democratic theory or idea, both in theoretical logic and in practical state-society demands.

I once tried to “build a democracy that transcends the left and right” in the form of “participation-response-responsibility” by restoring the role of the state and the meaning of the polity (Yang, Guangbin, 2011a). These three elements are the basic connotations of the “governable democracy” that I propose today.

The model of “governable democracy” comes from the basic connotation of democracy, that is, the duality of tools and values. As a kind of instrumental rationality, it mainly refers to the procedure and way of citizens’ exercising rights. As a theory of value, it mainly refers to the ultimate value meaning of people’s power, namely “people’s sovereignty”. This is not enough. It is too abstract. The two aspects need to be further broken down to turn democracy into a more useful analytical concept.

The model of “governable democracy” comes from the basic connotation of democracy, that is, the duality of tools and values. As a kind of instrumental rationality, it mainly refers to the procedure and way of citizens’ exercising rights. As a theory of value, it mainly refers to the ultimate value meaning of people’s power, namely “people’s sovereignty”. This is not enough. It is too abstract. The two aspects need to be further broken down to turn democracy into a more useful analytical concept.

In the procedural method, the basic form of democracy is of course citizen participation, but instead of defining democracy in a static institutional perspective, such as “Schumpeterian Democracy”, we should define democracy in a dynamic process perspective, that is whether the democratic form of participation in the political process would satisfy people’s demand. Who is responding? Since there is no “rule by the people” in the real sense, it can only be the government response, that is, the government response to the participation of the people. As a kind of purposive reason, the value of democratic “people’s sovereignty” should also be realized in the realization of the people’s interests. The “people’s sovereignty” which cannot satisfy the people’s interests is meaningless; therefore, democratic politics cannot be separated from responsibility, the responsibility of the government. Irresponsible democracy is not what voters want. Thus, the minimal democracy should include the unity of “participation” as a procedural method (procedural democracy) and “response” and “responsibility” as a purposive reason (substantive democracy).¹ In this way, “democracy” is not only about the right of people’s political participation, but also about the political process and political value to satisfy people’s interests, so we cannot talk about democracy without government. In this way, our theory of democracy is distinguished from procedural democracy which emphasizes only the rights of citizens.

From the perspective of “rule by the people”, there are almost no democratic countries in the world today, because the decision-making power of all countries is in the hands of a small number of people. Therefore, “rule by the people” mainly refers to the political participation of citizens, which is the premise of democratic politics, and there can be no democracy without it. Liberal democracy only limits democratic citizen participation to the electoral system and calls the democratic theory of direct citizen participation “radical democracy”, which holds that in the

¹ In terms of value, defining democracy by response and responsibility, is inspired by other scholars. 参见 Lawrence C. Mayer et al. 比较政治学: 变化世界中的国家和理论 (Chinese version of *Comparative Politics*), translated by Luo Fei and others. Beijing: Huaxia Publishing House, 2001, pp. 34-41.

sense of the scale of non-city-state nation-states, direct citizen participation is an impossible form of democracy. The theory of elitist democracy ignores the political and social structure which has undergone revolutionary changes and is untenable in an institutional perspective.

- (1) The importance of citizen participation in decision-making. As mentioned earlier, defining democracy as elections means that elections are everything in the political process. This is against common sense. “Schumpeterian Democracy” ignores the importance of bureaucratic executive branch as the most important subject of power in modern politics in all countries, fails to see the political function of big business, and ignores the social forces that are “regaining political authority”. In the age of mass politics, it has become a reality that citizens influence decisions of executive branch in a variety of ways. From the perspective of bureaucracy, this kind of administrative process is called “administrative democracy”, and from the perspective of citizen participation, this kind of “official-citizen interaction” can be called “participatory democracy”. It can even be said that citizens’ influence on the decision making of executive branch is no less significant than that of the electoral process, since administrative decision making is often directly related to citizens’ vital interests, while elections are more an expression of value preferences, and the leading political actor after the election will be the executive branch. The executive branch, which not only enforces the law but also makes policies, is ubiquitous in political life and is bound up with the lives of ordinary people.
- (2) The internet provides a platform for a return to “direct participation”. The network, as a “new media”, which makes the direct participation of citizens possible, and has changed and will further profoundly change the political ecology, and then become an important variable of the modern political system.
- (3) Forms of consultative democracy are ubiquitous in political life. Democracy is divided into political democracy, economic democracy and social democracy, and the main form of social democracy is consultative democracy, which is a primitive form of democracy, and has existed in all societies. In a sense, where there is society, there is consultation.

It is important to note that in many forms of citizen participation, the main purpose of participation is to maximize benefits. To determine which way can satisfy the value theory of democracy, we need not only to look at a country’s political process, but also to study a country’s history and culture, i.e., folkways and public sentiment. Politics is the process of interest distribution, and political struggle is everywhere, so politics of all countries is competitive. However, it is necessary to sum up the experience and lessons of the comparative political development in terms of competing in whichever way and to whichever degree. Some scholars point out that, different from the popular deliberative democracy theory, the tradition and wisdom of Chinese political consultation should be fully recognized (Lin Shangli, 2007).

If “rule by the people” is impossible, democracy means, in LijPhart’s words, “to be for the people, that is, to have a government in accordance with people’s preferences” (LijPhart, 2006: 1). In his model of “consensus democracy”, response

is an important principle of democracy. In the principle of “response” of democracy, the various schools of democratic theory seem to be in unprecedented agreement. Dahl says democracy is all about responding to people’s needs. Sartori also said that democracy is ultimately about responding to the demands of the electorate, though he was critical of the flexibility of democracy to respond to the “popular will” (Satolli, 1993: 83). Although Sartori doubts that Lincoln’s “for the people” is of democratic significance, saying that all types of government can claim to be “for the people”, but it is clear that a government that is not democratic will not have *de facto* concern for the people, or even disregard for the lives of the people. “For the people” is first of all a kind of political value, but it does not lose instrumental significance. In the instrumental sense, for the people is the political process whereby the government satisfies the people’s interest demand under the pressure of the people’s input.

The response is a principle of democratic politics and a political process. But the government’s response should be selective and responsible, otherwise it is populist politics and democracy could become a “tyranny of the majority”. This requires government autonomy (another term for state autonomy).

However, it must be recognized that the cornerstone of liberal democratic theory is social centrism or individual rights, and that the so-called “response” is nothing more than the passive response of the “state” to society. Liberal democracy theorists do not think at all, or do not want to think, that the “state” responds actively or selectively to society because of its “autonomy”, which cannot be ignored. They are even less willing to acknowledge the shaping role of the state in society because of its autonomy. In this way, first, the country responds passively to the society, but the result may be disastrous. For example, before the Second World War, British Prime Minister Chamberlain indulged the peaceful desire of the British people and engaged in the “appeasement doctrine”. Second, the “passive response theory” is already out of step with the history of Western countries, not to mention the history of other countries, such as the efforts of the British to protect the poor in the early days of capitalism, the shift from the neoliberalism of Hobhouse to the role of Keynesianism, the emancipation of the slaves by Lincoln in the United States, and the New Deal. Third, liberal democracy’s so-called electoral democracy, or majoritarian democracy, takes second place in Western political life, and constitutional politics, or the so-called constitutional democracy takes first place, and the judicial power, which takes the constitution as the core, dominates the political life of the Western countries (Rawls, 2011b).

That is to say, there are many forms of democracy in Western countries, and among them, electoral democracy is not the most important one, and the most important one is the constitution and judicial power that reflects the national character or will of the country. In my opinion, when constitutional democracy determines the basic order, it also needs the rationalization of the system, which is separation of powers. The path of the modern state is generally centralization through war. After the formation of the state, in the process of construction, there is a need for decentralization. So, the separation of powers in the modern state is actually a form of democracy, a form of democracy that rationalizes the system. Without a fundamental constitutional order and a reasonable order of separation of powers, electoral democracy—that is,

the majoritarian democracy—will not lead to good governance, as the history of many countries has demonstrated. According to the political development history of Western countries, it can be considered that the form of democracy has an irreversible lexicographical relationship, namely constitutional democracy—decentralized democracy—electoral democracy. However, the Western countries only advocate liberal democracy with competitive election as the core, ignoring the national will and state autonomy embodied in constitutional democracy.

State autonomy (that is, the independent realization of the state’s aspirations without social constraints) has been obscured not only by liberal democratic theory, but also by Locke’s, Smith’s, and Hayek’s liberalisms, but in fact, the importance of state autonomy at some key moments in history has been demonstrated in both positive and negative ways. One of the consequences of the prevalence of ideas that mask the “state” may be decisions that overemphasize the importance of society and blindly satisfy its demands, thus becoming a disaster for human beings, as it has been in the past and still is today. For example, because there is no “sovereignty” of the decentralized state power structure, the result is the lack of nationhood, and it is difficult to control guns that threaten American lives on a massive scale.

Therefore, many Western scholars try to “find the state” in the public policy research. This is true in the West, let alone in the developing world and in China as a developing country? The “Four Asian Tigers” are “state-led development” (科利, 2007). China’s achievements have also benefited from the state thought with profound “people-oriented” tradition.

Apparently, the “response” in “governance democracy” is a response from state autonomy. “Autonomous response” includes at least the following points: (1) the state must understand and respond to the most necessary and urgent demands of society, and “the state in society” cannot ignore the demands of society; (2) the response of the state must be autonomous and selective, because the society is very pluralistic, and the demand is diverse, the practice that blindly caters to the society will sink into the mire of populism eventually; and (3) the subjects of participation is unequal, and there are social vulnerable groups and powerful interest groups such as big enterprises, leading to unequal channels for interest expression and conveying asymmetry of political messages, which requires the state with “people-oriented” thinking to independently explore the real political information. Therefore, autonomous response means that even when there is no systematic expression of interests in society, the state takes the initiative to reach out to the people and understand their sufferings. This is the “mass line” under the “people-oriented” ideology, which some call “reverse engagement”.

A one dimensional movement of social rights or social constraints would never automatically lead to the greatest happiness for the greatest number of people sought by utilitarianism; on the contrary, it would even lead to the greatest disaster for the greatest number of people. That is the necessity of government. The primary principle of government is the fiduciary responsibility to the people, that is, to meet the people’s basic needs for security, order, welfare, justice and so on. This is the perspective of social centralism, that is, the government is responsive to the needs of the people. However, in the absence of a reasonable order and the lack of state

autonomy, “people’s needs” not only cannot be met, but which may even lead to political disorder. Therefore, it is necessary to demonstrate “the rights of the people” and “the needs of the people” in the light of the state-centered theory of state autonomy. In this way, the state-society relationship will play out in different ways. Taking into account the complexity of social relations, which may be divided into conflicting classes or ethnic divisions, the relations between the state and society are more diversified, including but not limited to the following:

Scenario 1: When social preferences are aligned with government preferences, the social constraint function of democracy, which is assumed by social centralism, can be fully realized, i.e., the government meets the needs of the people, and social forces work with the government to promote social progress. For example, capital power and state collaboratively interacted in the rising period of British capitalism.

Scenario 2: When social preferences are aligned with government preferences, the social constraint function of democracy, which is assumed by social centralism, can be fully realized, i.e., the government meets the needs of the people, but the consequence is bad. For example, before the Second World War, Prime Minister Chamberlain, who had satisfied the peaceful wishes of the British people, carried out doctrine of appeasement, which delayed the preparation of the war.

Scenario 3: When social preferences are inconsistent or even in conflict with government preferences, social constraints change government preferences and choices, and the result is better, as in the case of the American Civil Rights Act of 1964, which was the result of popular resistance.

Scenario 4: When social preferences are inconsistent or even in conflict with government preferences, social constraints change government preferences and choices, with even worse results, because government may have been captured by the capitalist class, as in Russia in the 1990s; or it may have been captured by the masses, as in the populist politics of South America.

Scenario 5: When social preferences are inconsistent or even in conflict with government preferences, government forces or inducements change social preferences or remove social restraints, with a better or worse result, such as the creation of “New Deal” at the expense of laissez-faire and Western welfare states that sacrificed and ultimately protected capital interests; or worse, for example, Chen Shui-bian froze or even worsened cross strait relations for eight years (2000–2008).

Scenario 6: When social preferences are inconsistent or even in conflict with government preferences, government coercion or inducements to change social preferences or remove social restraints and the result may be worse, for example, Chen Shui-bian froze or even worsened cross strait relations for eight years (2000–2008).

Scenario 7: When Society has no preference or no desire for economic development, if government development preference is strong and leads to social choice and preference formation, government promotes welfare maximization, such as “developmental state” in East Asia; If the government has no intention to develop, the society will stagnate or even regress, such as some “new hereditary states” in Africa.

... ..

In the above scenarios, for better or worse, democratic politics cannot be viewed simply in terms of social centrality, and the role of government cannot be ignored under any circumstances, so that it is in no way a servant of private security or a “nightwatchman”. From the perspective of government in state-society relations, democracy transforms the principle of accountability into governance; government is

ultimately for the purposes of state governance, whatever form it takes. Academics in the West take it for granted that the elites of Western democracies are more responsible than those of other countries. This ideological positioning is both paranoid and superficial. In accordance with the principle of democratic responsibility, the post-Third Wave Democracy countries are mostly unsuccessful: the failure of Russia's transformation, ethnic conflicts in Central Asia, South American populism, confrontation between the rich and poor in Thailand, and bloody elections in the Philippines. It is the opposite of the principle of responsibility, and the improper application of "electoral democracy" that further weakens the responsibility of the "elected" government. Who would welcome a poorly governed or even a perfectly formed democracy that leads to social unrest, ethnic conflict, populism, a failed state, or national disintegration? Not only that, but now the United Nations and many Western scholars are even beginning to suspect India, which the U.S. government has touted as a model of Western style democracy in the developing world: for in all aspects of governance, India lags far behind China. In fact, Lindblom made this judgment 30 years ago (Lindblom, 1994: 182).

In a word, democratic politics is the unity of form, process and result. Just as a good democracy without good performance is not a good democracy and the people will not ultimately agree with it; similarly, a good performance, even if it is the politics that the people agree with but without the proper form of democracy, cannot be called a democracy. "Participation" is the main body of democracy, that is, the basic form of the people's exercise of rights; "autonomous response" is the government's response to the people's participation and interests; and "responsibility politics" is the output of the policy product of the interaction between the officials and the people. Politics with the "three elements" cannot be said not to be democratic politics, and it is also a "governable democracy".

32.3 The Value Model of Governable Democracy: People-Oriented Democracy

(1) Principles of the model of democracy

To explore the model of democracy, the premise is to understand the nature of democracy. The nature of democracy is the theoretical origin of the democratic model. We are used to saying that democracy has a dual nature, which is both an end (value) and a means (tool). As a value, democracy, is nothing but the realization of the people's sovereignty as public good. Why does the realization of public good bring disaster? Public good is a total human value floating in the sky. Who can oppose the sovereignty of the people? However, this overall value, after all, has to land in countries with very different cultural traditions. Although democratic politics is the politics of modernity, modernity does not mean a complete separation from tradition. Modernity is a natural continuation of tradition. Tradition and modernity are merely different grades (positions) on the spectrum of continuity of history. Just look at

the influence of Chinese traditional civilization genes on Chinese and even overseas Chinese, you can understand the relationship between tradition and modernity. When the value of democracy is linked to the genes of a particular civilization, the “public good” floating in the sky can be seen and touched. Thus, the democratic value based on the specific civilization gene is the “value mode” of democracy. If “people’s sovereignty” is the general model of democracy, and “value model” is the national or cultural model of people’s sovereignty, a “value model” must be based on cultural diversity.

Even so, the value based on the civilization gene will not be realized automatically, but also needs certain tools or institutional tools to be realized. Many great ideas and ideals, such as popular sovereignty during the French Revolution, turned into bloody terror, because of the lack of tools to ground the ideals or “isms”. Therefore, the system tool of realizing the value mode can be regarded as the “practice mode” of democracy.

The “practice mode” is used to realize the “value mode”, which means that they should be highly complementary, and the basis of being complementary must be their common historical culture or political tradition. If the value mode comes from the historical and cultural tradition of a particular country and is the natural transmission of the civilization gene, then the practice mode does not come from nothing, and we can also find the practice mode with historical continuity which is suitable to the value mode. Democratic politics, based on the genes of historical civilization, in which the value mode complements the practice mode, should be relatively good; on the contrary, if the value mode and the practice mode of a country have nothing to do with its civilization gene, in other words, the value mode is based on its civilization gene but the practice pattern is external, which inevitably leads to tension and even conflict between the practice mode and the value mode, and the democratic politics will naturally become conflict politics.

According to the above discussion, we can deduce several theoretical inferences of the democratic mode:

The first inference, also the general inference, the duality of democracy, that is, the purposefulness and instrumentality, determines that the democratic mode must be of two kinds of models, value mode and practice mode, and democracy with a value mode but no practice model is bound to be empty and may lead to the Jacobin dictatorship-style politics of terror during the French Revolution; similarly, democracy with a practice mode but no value model, democracy loses its way.

The second inference is that the value mode must be rooted in the country’s civilization gene, so a country generally has only one democratic value mode, such as the liberalism-based democracy of the West.

The third inference is that the value mode needs the practice mode to land, and a good practice mode must also arise from its own civilization gene, but the democracy practice mode must be pluralistic, and human beings share the primitive forms of democracy, such as autonomy, consultation, separation of powers and so on.

The fourth inference is that learning or transplanting a model of democracy that is at odds with one’s civilization gene, whether a value mode or a practice mode, is counterproductive unless it results from very specific historical conditions, such as

postwar Germany and Japan, and the political decline that followed the Third Wave Democracy and the turn of the Arab Spring into a Arab Winter.

By understanding the principles of the mode of democracy, we can better clear up the various “democratic models” that are constantly in disarray, and then understand why the democratic politics pursued by human beings have finally evolved into the politics of conflict.

(2) People-oriented democracy as a mode of value

As a practice mode of “governable democracy”, the value mode for its realization is either people-oriented or socialism as a modern form of people-orientation. Liberal democracy is a value mode of democracy, and the practice mode for realizing liberal democracy is the partisan democracy. Therefore, the advantages of governable democracy over liberal democracy are mainly compared with those of partisan democracy. In the theory of democracy, we also need to explore the value mode of “governable democracy”, which must return to the socialist values, and also must return to the Chinese civilization genes to find the value principles.

We know that liberal democracy, as a value model, is actually a new expression of the genes of Western civilization, that is, the long-standing liberalism is expressed as liberal democracy. If capitalist democracy can be replaced by liberal democracy, the counterpart of capitalism is what we often call socialist democracy. Because of the Cold War, “socialist states” or “socialist democracy” have been demonized as totalitarianism or ideologically authoritarianism. Therefore, in order to facilitate the dialogue of world politics and facilitate the understanding of China’s democratic politics by other countries, we need to change the expression mode of socialist democracy, or socialist democracy needs to be more artistic or sinicized, to form what General Secretary Xi Jinping called “new concepts, new categories and new expressions”. There is an urgent need for the sinicization of Marxism.

The new expression of socialist democracy must take into account the following factors. First, the word must express the essential requirements of socialism, just as liberalism can represent or express the essential requirements of capitalism. Second, the word must be an important part of Chinese civilization, or it must have a strong genetic continuity of civilization. Third, it has internal connection with “democracy”, which not only has Lincoln’s procedural democracy that is the government by the people, but also has the essence care or Lincoln’s of the people and for the people.

This concept is no other than “people-oriented principle”. It used to be said that the people-oriented thought was a kind of ruling thought, which was one-sided. New research shows that “the people are the foundation of the nation” is a kind of community of the ancestors based on the kinship system or a kind of country with the order of the kindred in today’s words. Even if it is a ruling idea, we cannot say it cannot be combined with the democratic autonomy of the people because of tension. Actually the tension between liberalism (property rights) and democracy (equal rights) is even greater, which is a tense political-economic relationship.

In this way, first of all, if “socialism” is “society” as “doctrine”, it is in fact people-centered, which is no different from “taking people as orientation” of the people-oriented doctrine.

Secondly, China as China, with 5,000 years of Chinese civilization and the ability to revive national rejuvenation, of which one of the important factors is the long-lasting people-oriented thought, which is an important difference between the Chinese civilization and other ancient civilizations, that is, socialism and the traditional culture as the core of the people-oriented doctrine is a continuous succession.

Finally, after the introduction of democratic thought into China, from the revolutionary Sun Yat-sen to Mao Zedong, from the ideological circle to the ordinary people, the “democratic” language to express the “people-oriented” ideas and aspirations had been used. People’s livelihood in Sun Yat-sen’s “Three Principles of People” is people-oriented, and Mao Zedong’s “serving the people” is also a typical people-oriented thought, and a “subjective survey” of ordinary Chinese at home and abroad also found that more than 70% of the people speak of democracy as being people-based, and demand people-base in the language of democracy.

In this way, in world politics, socialist democracy can be expressed as people-oriented democracy. As with liberal democracy, there is a certain tension, even if it is understood in terms of the idea of rule (not to mention that Liang Jianchao, who first proposed it, actually saw it as China’s democratic idea), that is, there is a certain tension between people-orientation and democracy, but it does not affect the establishment of people-oriented democratic thought. The reasons are as follows: First, the people-oriented principle is consistent with the essence of democracy. Second, in Mao Zedong’s case, the instrument for realizing the people-oriented doctrine is the mass line. Isn’t the mass line an institution and also a form of democracy? The general idea of democracy is citizen participation, whereas bottom-up participation may be unequal among the strong and the weak, and the result may not necessarily be just, but with the top-down “mass line participation”, the structural problem of unfair bottom-up participation can be balanced.

If the people-oriented democracy is a value mode, what is the practice mode for the practice of this value mode? The people-oriented thought must be concerned with “achieving governance”, that is, the country is governed. Since the pre-Qin period, thought of achieving governance was very rich, which stretched on endlessly, and Emperor Kangxi said, “For the way of achieving governance, talents first”. Governance has been a buzzword that has kept pace with democracy since the 1990s and has become “state governance” in China. In this way, democracy with governance as its core can be understood as “governable democracy”, which is a practice mode for realizing the value mode of people-oriented democracy. Moreover, since ancient times, China’s strength in comparison with other ancient civilizations is governance or governing way, and theory of governing way is very well-developed. In real world politics, China’s governance is superior to that of other developing countries. Therefore, democracy with governance at its core has a realistic comparative advantage over democracy with elections at its core. If, for example, China is compared to India in the sense of competitive elections, Westerners think India is superior to China; but if it is compared in the sense of governing democracy, China is India’s teacher.

32.4 “Governable Democracy”: Transcending Liberal Democracy

By clarifying the connotation of “governable democracy”, we can also sort out the differences and advantages between “governable democracy” and “liberal democracy” practiced by the mode of “partisan democracy”:

First, in theoretical logic, “governance democracy” is a kind of democracy which emphasizes the state-society relationship in the sense of polity and emphasizes the balance between the state and society. “Liberal democracy” is not a form of government, although Sartori tries to talk about democracy in a form of government in his *The Theory of Democracy Revisited*, in fact, the theory of liberal democracy based on “competitive election” is at best a social right under the so-called “natural human rights” of liberalism. There is only “society” but not “state” which always exists and plays an important role, so it is a one-dimensional theory that does not accord with historical truth. There is no doubt that in the sense of polity, “governance democracy” is more consistent in theory.

Second, the theoretical justification that “a well-ordered democracy must embody the principles of justice in its basic structure” (Rawls, 2011a: 176) is crucial. The latest expression of John Rawls’ two fundamental principles of justice is:

- (1) *Everyone has the same inalienable right to a fully adequate scheme of fundamental freedoms for equality, and this system is compatible with the same liberal system for all: and*
- (2) *Social and economic inequalities must satisfy two conditions: First, the public offices and positions to which they belong should be open to all under fair and equal conditions of opportunity; second, they should serve the best interests of the most disadvantaged members of society (principle of distinction).*

The first principle takes precedence over the second; similarly, in the second principle, the principle of equality of opportunity takes precedence over the principle of distinction. This preference means that when we use a principle (or test it against a test sample), we assume that the prior principle should be fully satisfied (Rawls, 2011a: 56).

These are what John Rawls calls the lexicographical sequence of principles of justice, and the theme of his theory of Justice is institutional, that is, the first principle is constitutionally based political institutional justice, and the irreversible order of the second principle is the justice of the social and economic systems. Clearly, for political philosophers like John Rawls, justice is above all a matter of regime.

If John Rawls’ doctrine of justice is to be accepted, what kind of democracy does or does not conform to it? Since only emphasizing social rights and individual rights, “liberal democracy” is essentially a “democracy” based on “freedom”, or “democracy” disguised as “freedom”, and can only speak of political democracy while opposing economic democracy, which is a clear-cut view of liberal democratic theory. In the opinion of the most powerful critics of liberal democracy, the famous neo-Marxist in the West, MacPherson, liberal democracy is nothing but “possessive

individualism”, that is, the property right advocated by Locke (Macpherson, 2018). In reality, it is inevitable that because of the inequality of the system and individual ability, it leads to the inequality of individual possession of property, so liberal democracy protects this inequality. But big business, the embodiment of possessive individualism, has been shelved by liberal democratic theory, and according to Lindblom, there is no point in looking at the contemporary theory of democracy without big business. But it is this deliberate shelving that has allowed big business to intervene and dominate democracy more freely and without restrictions. Recently, for example, the United States has even lifted restrictions on corporate sponsorship of elections. Therefore, “liberal democracy” is to defend the Locke-style liberalism. Locke’s liberalism is clearly opposed to property democracy, and only property democracy is just. “Property ownership democracy achieves all the major political values expressed by the two principles of justice” (Rawls, 2011a: 164). And “laissez faire capitalism guarantees only formal equality, while denying equal political freedom, fair liberal values, and equal opportunity. Its goal is economic efficiency and growth, and the only constraint on economic efficiency and growth is a rather low minimum social security”, that is, welfare capitalism is nothing but a tinkering with laissez faire capitalism, concerned with equality of opportunity but lacking the corresponding policies needed to achieve it, and thus it is a democracy incompatible with the principles of justice (Rawls, 2011a: 167). We can see that John Rawls’ view on capitalism as merely a guarantee of formal equality is not fundamentally different from Marx’s, and that laissez faire capitalism based liberal democracy and welfare capitalism are incompatible with the principles of justice.

Relatively speaking, “governance democracy”, because of the embedding of the “state”, is a kind of social theory that takes into account social centralism and state-centralism, in which the state and society correct each other to achieve equilibrium. In many cases, the state is used to provide relief for the most disadvantaged social groups due to the insurmountable and de facto inequality of opportunities and obstacles, thus possessing the theory of “de facto socialism”. Moreover, because “governing democracy” focuses on social rights, individual rights and democracy, the theory of “de facto socialism” is liberal or democratic, that is, liberal socialism or democratic socialism. In Rawls’ view, the ideal of a liberal socialist polity or a democratic socialist polity, like a democracy with property, describes an arrangement that satisfies both principles of justice. “Both property ownership democracies and liberal socialist regimes establish the constitutional framework of democratic politics, guarantee the fair value of fundamental freedoms and political freedoms and equal opportunities, and use the principle of reciprocity, if not differentiation, to regulate economic and social inequality” (Rawls, 2011a: 168). According to John Rawls’ doctrine of justice, “governing democracy” with the emotion of “de facto socialism” conforms to the principle of justice.

Third, the practical justification. In the logic of political practice, since the emphasis is on the equilibrium of state-society relations, that is, the “principle of reciprocity” in fact, “governance democracy” not only attaches importance to democratic politics in the sense of political process, such as citizen participation and state

autonomous response, but also emphasizes good governance as the result of democratic politics; “liberal democracy”, however, pays more attention to the political process, that is, the voters’ right to vote, than to the feasibility of the process and the political consequences of the process. It can also be concluded that “governable democracy” is more in line with the principles of justice than “liberal democracy”. As stated earlier, “liberal democracy”, with its processes and no consequences, is in crisis. It is not unreasonable for the Chinese to wonder how officials could be controlled if they were not elected. But, as many Americans say, the West’s control over officials is more about the rule of law than elections, and they do not understand that the Chinese always talk about corruption in a democratic perspective (Yu & Li, 2013). In addition, it must be recognized that political science is not a theoretical and methodological issue, but a political issue, that is, political science is primarily concerned with the distribution of interests. Competitive elections elect the representatives who make decisions for the voters, but behind the competitive elections is the multi-party system, and multi-party system must be based on national and religious background. In this way, competitive election is bound to involve “national” issues. One result of the Third Wave Democracy is the fragmentation of nations, many of which have historically been tied to the democratization of competitive elections. In fact, many emerging nation-states in history have been inseparable from the division of democratization centered on competitive elections. People of insight in China worry that the greatest challenge facing China in the twenty-first century is the division of the country due to ethnic problems (Ma Rong, 2011). Given the twin relationship between democratization and nationalism in the history of the world, I believe that the direct challenge to China’s national disintegration comes from democratization. This means that while democracy has become a religious creed, democracy per se needs to be governed, and it is not just traditional issues such as finance, the environment and security that need to be addressed.

Fourth, it is also in the spirit of justice that the concept of “governable democracy” includes not only the use of democratic concepts, democratic systems, democratic procedures and pluralistic subjects to govern society, that is, the popular so-called “democratic governance”. Just as the message clearly conveyed by the literal meaning of “democratic governance”, the governance of democracy is the governance of democracy per se, the first of which is the governance of liberal democracy. Since democracy has become a religious creed, we are used to talking about “democratic governance” and did not take democracy seriously enough to govern itself—Although Huntington and others argued as early as the 1970s that overheated economies needed to be cooled, and overheated democracies needed to be cooled too (亨廷顿 et al., 1989). By comparison, today’s “liberal democracy” has done far more harm and even more disaster to the countries in transition than to America in the 1970s, making it more in need of governance. In my view, the mild harm of “liberal democracy” marked by competitive elections leads to populist politics that affect economic development, as in Venezuela, while the moderate harm is “ineffective democracy” of inability to form decision-making authority; therefore, it cannot promote economic development and improve people’s well-being, such as India, the Philippines, Ukraine. The serious harm is the loss of internal security

or even national division, such as Iraq, Afghanistan, the Soviet Union. Therefore, human beings must return to common sense, and the social rights emphasized by the various positive democratic theories represented by “liberal democracy” are important and can effectively restrict those once unrestrained political powers. However, the excessive publicity of social rights, ignoring the integrative and guiding role of state power, will inevitably lead to the dilemma of governance in Western countries such as the contemporary United States, even the oldest “liberal democracy”, such as Haiti, has failed. Therefore, “governable democracy” not only includes the “democratic governance” which pays attention to the social rights, but also includes the governance which emphasizes the state autonomy in the governance of rampant liberal democracy.

In a word, “governable democracy” is not only superior to “liberal democracy” in the theory of social science and the principle of justice, but also more feasible and controllable in practice. It is a kind of “way” of governance in the sense of Aristotle regime. By contrast, “liberal democracy” is at best an “art” of justification emerging in a particular situation, something that can be said or even believed, but is difficult to use. For the developing countries, democracy is inevitable, but to choose what kind of democratic form, democratic theory and democratic idea is the premise. We must break the pattern of “liberal democracy” doctrine dominating the world. “Liberal democracy” is not only difficult to be consistent in theory, that is, it is not democratic politics in the sense of polity, but also brings all kinds of sequelae or even disasters to other countries in practice, and the West has lost its political competitive advantage because of “liberal democracy”.

This requires alternative democratic theory and democratic thinking. Among the competing schools of positive democracy, the traditional theory of “people’s sovereignty” is too substantive to be carried out systematically, or only exists in normative institutional arrangements and is difficult to be carried out effectively in practice; and, as being distorted by “liberal democracy”, it loses its original challenging power and appealing effect. Like liberal democracy, participatory democracy is not a theory of regime democracy. Deliberative democracy is in fact too demanding and difficult to achieve in political life. As a form of democracy, consultative democracy is also included in “governable democracy”, which belongs to “democratic participation”.

Relatively speaking, “governable democracy” not only meets the current popular demand, that is, governance, but also finds the truth in comparative history, that is, state responsibility, not avoiding the trend of democratization in the era of mass politics and being a theory of governance of democracy per se. So, it is the most viable, operable, and, above all, an alternative scheme in conformity with the principles of justice.

Afterword

For a decade, I have been studying Chinese politics in the context of comparative politics or taking Chinese politics as the biggest case study of comparative politics, and the resulting view on Chinese politics is very different. As the saying goes, “scale determines attitude”.

The Historical Dynamics of Chinese Political Change is an integrated and systematic achievement about Chinese politics in my academic career of the past ten years. The third chapter is based on my previous book, 《制度变迁与国家治理: 中国政治发展研究》(*Institutional Change and State Governance: A Study of Political Development in China*, People's Publishing House, 2006). The other chapters are processed and rewritten on the basis of my published papers. Xu Yao, a doctoral student in political science at Renmin University of China, provides some materials for the third section of Chap. 6.

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Of course, the author takes sole responsibility for his views. Any “issue” of social science research is open. I sincerely welcome criticism and correction from the experts and readers, so as to help me improve my research level and cognitive ability on Chinese politics.

Guangbin Yang
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About the Author

Yang Guangbin, PhD in Political Science, Member of the 13th National CPPCC Foreign Affairs Committee, Dean of School of International Studies, Renmin University of China, Distinguished Professor of Changjiang Scholars of the Ministry of Education, Vice President of the Chinese Political society. His research areas include political theory, Chinese politics, comparative politics and world politics. His representative works include *Strategic Choice of Chinese Political Development* (2011), *Democracy in Idea and Practice* (2015), *Comparative Politics: Theory and Methods* (2016), etc.

About the Translator

Chunhou Zhang is a native Chinese. He acquired his Ph.D. in political science from the University of Cincinnati, and MPA from Central Michigan University. In China, he studied at bachelor and graduate levels at Shaanxi Normal University. He is currently a professor of political science at Shaanxi Institute of International Trade & Commerce. He used to be a faculty member at Yan'an University and Xi'an International Studies University. He has won project funding in America and China, and has published sixty research and translated papers and four books. He is the principal author of *Toward a New Theory of American Electoral Psychology: Achieving the Superordinate Goals of the Nation State* and *Mao Zedong as Poet and Revolutionary Leader*.

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